

# **Exhibit 40**

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re )  
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CUSTOMS AND TAX ADMINISTRATION ) MASTER DOCKET  
OF THE KINGDOM OF DENMARK ) 18-MD-2865 (LAK)  
(SKATTEFORVALTNINGEN) TAX )  
REFUND SCHEME LITIGATION )  
 )  
This document relates )  
To: All cases )  
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C O N F I D E N T I A L

VIDEO DEPOSITION OF  
LISBETH ROMER  
Copenhagen, Denmark  
Thursday, June 3, 2021  
10:00 a.m. (CEST)

Taken at:  
Offices of Poul Schmith  
Kammeradvokaten, Kalvebod Brygge 32,  
1560 Copenhagen V, Denmark  
And WebEx via New York

Reported by: FREDERICK WEISS, CSR, CM

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<p>1 your time at SKAT?</p> <p>2 A. I know that now.</p> <p>3 Q. Okay. Let's talk a little bit</p> <p>4 about your background. Can you tell us what your</p> <p>5 education is?</p> <p>6 A. (English) I am a lawyer by</p> <p>7 education, made law in Denmark, and I have done</p> <p>8 civil -- I worked as a lawyer to start, but then I</p> <p>9 continued in the government service. And I have</p> <p>10 been there 40 years in the government service, of</p> <p>11 which 35 in tax. Sorry.</p> <p>12 MS. MCCARTHY: That's okay. That's</p> <p>13 all right.</p> <p>14 MR. WEINSTEIN: Whatever you're</p> <p>15 comfortable with.</p> <p>16 BY MS. MCCARTHY:</p> <p>17 Q. When did you start working at SKAT?</p> <p>18 A. In '79.</p> <p>19 Q. And what -- what were the positions</p> <p>20 that you held in SKAT?</p> <p>21 A. Oh, they were very different. It</p> <p>22 was a legal department that was established when</p> <p>23 we introduced withheld tax. That was introduced</p> <p>24 in '70, and it was a whole new setup for taxation.</p> <p>25 And I was working in the department</p>	<p>1 with penalties, bailiffs --</p> <p>2 (Court reporter clarification.)</p> <p>3 THE WITNESS: Penalties and</p> <p>4 bailiffs and --</p> <p>5 (Court reporter clarification.)</p> <p>6 THE WITNESS: Yeah.</p> <p>7 -- things like that.</p> <p>8 BY MS. MCCARTHY:</p> <p>9 Q. Okay. At some point did you become</p> <p>10 a manager?</p> <p>11 A. Yes.</p> <p>12 Q. When was that?</p> <p>13 A. '86, I think was the first time.</p> <p>14 Q. And what department were you a</p> <p>15 manager in?</p> <p>16 A. That was also about financial</p> <p>17 arrangements. It was when we started with all the</p> <p>18 hedging and --</p> <p>19 Q. Hedging?</p> <p>20 A. -- and things like that.</p> <p>21 Yeah. We had a department for</p> <p>22 that. I was only there shortly.</p> <p>23 Q. When you say you had a department</p> <p>24 that handled hedging, what do you mean?</p> <p>25 A. And other -- other financial</p>
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<p>1 instruments that called for some taxations that</p> <p>2 people might not be aware of. So...</p> <p>3 Q. So you had some familiarity with --</p> <p>4 with trading?</p> <p>5 A. A little, yes.</p> <p>6 Q. Okay. From the --</p> <p>7 A. It was very new and we were</p> <p>8 starting it all up.</p> <p>9 Q. Okay.</p> <p>10 A. And I left quite rapidly because</p> <p>11 tax and customs were merged in '90 and I went to</p> <p>12 every general office where I was in the management</p> <p>13 of this regional office. And that was fully --</p> <p>14 totally different.</p> <p>15 (Court reporter clarification.)</p> <p>16 THE WITNESS: Very different.</p> <p>17 BY MS. MCCARTHY:</p> <p>18 Q. Where was that regional office?</p> <p>19 A. Ballerup, in Copenhagen.</p> <p>20 THE INTERPRETER: B-A-L-L-E-R-U-P.</p> <p>21 BY MS. MCCARTHY:</p> <p>22 Q. What did that regional office in</p> <p>23 Ballerup handle?</p> <p>24 A. Everything. We -- when we set up</p> <p>25 this thing, we had 30 regions in Denmark, more or</p>	<p>1 less handling the same things. The general things</p> <p>2 are tax and customs administration. We had</p> <p>3 accounts, we had registration, we had forced</p> <p>4 recovery. We had employees, things that we dealt</p> <p>5 with.</p> <p>6 We had a compromise thing, we had</p> <p>7 control, audit. And then we had a lot of tax</p> <p>8 things also, small groups.</p> <p>9 Q. And did you manage the entire --</p> <p>10 A. No.</p> <p>11 Q. -- group?</p> <p>12 What did you manage?</p> <p>13 A. There was one boss and then we were</p> <p>14 four under-bosses, and I was one of them.</p> <p>15 Q. And what were you -- what was your</p> <p>16 area of responsibility?</p> <p>17 A. I had some customs, import/export,</p> <p>18 I had registration. I had the -- the public</p> <p>19 service at the counter, and making help to people,</p> <p>20 how to do and deal with new things.</p> <p>21 MR. WEINSTEIN: I'm sorry if you</p> <p>22 aren't finished. I just want to suggest, it's</p> <p>23 fine if you're comfortable not using the</p> <p>24 interpreter. But if you're struggling to explain</p> <p>25 something in English because you know how to say</p>

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<p>1 it in Danish, you should use the interpreter to</p> <p>2 make sure you're explaining it fully.</p> <p>3 BY MS. MCCARTHY:</p> <p>4 Q. I understand what you're saying.</p> <p>5 So it's up to you.</p> <p>6 A. I find it easier, because when you</p> <p>7 speak English, I turn to English also.</p> <p>8 Q. Okay.</p> <p>9 A. Sorry.</p> <p>10 Q. As you need it, obviously --</p> <p>11 A. Yes, thank you.</p> <p>12 Q. -- the interpreter is here to</p> <p>13 assist.</p> <p>14 THE WITNESS: You follow me, okay?</p> <p>15 THE INTERPRETER: Yes, I do. You</p> <p>16 just let me know.</p> <p>17 BY MS. MCCARTHY:</p> <p>18 Q. Okay. So you had many</p> <p>19 responsibilities --</p> <p>20 A. Yes.</p> <p>21 Q. -- then in that?</p> <p>22 And who was your boss initially?</p> <p>23 A. That was a lady called Birthe Holm.</p> <p>24 THE INTERPRETER: T-H?</p> <p>25 THE WITNESS: T-H, yes.</p>	<p>1 THE INTERPRETER: B-I-R-T-H-E,</p> <p>2 first name. Last name, H-O-L-M.</p> <p>3 BY MS. MCCARTHY:</p> <p>4 Q. Ms. Romer, did there come a point</p> <p>5 when you became responsible for dividend tax?</p> <p>6 A. Not yet.</p> <p>7 Q. Okay. When did that happen?</p> <p>8 A. In 2002. Before that I had to go</p> <p>9 to Bhutan. I was out three years for Danida, the</p> <p>10 Danish aid system.</p> <p>11 THE INTERPRETER: D-A-N-I-D-A,</p> <p>12 Danida.</p> <p>13 BY MS. MCCARTHY:</p> <p>14 Q. The Danish what system?</p> <p>15 A. Help for underdeveloped countries.</p> <p>16 Q. I see.</p> <p>17 A. Yeah.</p> <p>18 Q. And so you took three years in</p> <p>19 Bhutan?</p> <p>20 A. I was there for three years, yes.</p> <p>21 Q. And what did you do there?</p> <p>22 A. I was in the tax and customs, I</p> <p>23 made a personal income tax law that is still</p> <p>24 working.</p> <p>25 Q. Wow. That's fantastic. Great.</p>
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<p>1 And then after three years in</p> <p>2 Bhutan, you came back to --</p> <p>3 A. I came back one year, and then I</p> <p>4 went to Vietnam for one year, and then I came</p> <p>5 back. And shortly after I was assigned to go to</p> <p>6 the dividend tax group in Naerum.</p> <p>7 THE INTERPRETER: N-A-E-R-U-M.</p> <p>8 BY MS. MCCARTHY:</p> <p>9 Q. Is that also in Copenhagen?</p> <p>10 A. Yes. It's the outskirts but it's</p> <p>11 still Copenhagen, greater Copenhagen.</p> <p>12 Q. Okay. What were your</p> <p>13 responsibilities there?</p> <p>14 A. Well, it was new that the whole</p> <p>15 dividend tax was gathered. They had been in</p> <p>16 different places. But interest in shares had</p> <p>17 increased, so they put all the issues about</p> <p>18 dividend tax together in a group. And, yeah.</p> <p>19 Q. Okay. What specifically were you</p> <p>20 dealing with regarding dividend tax?</p> <p>21 A. Dividend tax was -- it was a very</p> <p>22 formal office. We were sent out from the -- from</p> <p>23 the central bookkeeping office, so we were a sort</p> <p>24 of bookkeeping group.</p> <p>25 Our main purpose was to key-in all</p>	<p>1 the declarations from the companies that had</p> <p>2 decided to pay out dividend. And then also to</p> <p>3 receive information about the recipients of the</p> <p>4 dividend.</p> <p>5 (Court reporter clarification.)</p> <p>6 THE WITNESS: Recipient, sorry.</p> <p>7 Recipients of the dividend.</p> <p>8 BY MS. MCCARTHY:</p> <p>9 Q. Okay. And you said that that was</p> <p>10 just beginning. And what year was that that --</p> <p>11 that that was just beginning?</p> <p>12 A. Well, they had had it, but minor --</p> <p>13 the amount was increasing, because the interest in</p> <p>14 shares was growing.</p> <p>15 Q. Okay. What year was that that you</p> <p>16 went there?</p> <p>17 A. I went 2002.</p> <p>18 Q. 2002?</p> <p>19 A. Yes.</p> <p>20 Q. Okay. And the -- you said the</p> <p>21 interest was growing?</p> <p>22 A. Yes.</p> <p>23 Q. And what -- what was the interest</p> <p>24 growing in?</p> <p>25 A. Owning shares.</p>

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<p>1 Q. Do you know why that was happening?</p> <p>2 A. That was an increase all over the</p> <p>3 world that people got more money and more interest</p> <p>4 in investing and things like that, I presume.</p> <p>5 Q. And it was interest in owning</p> <p>6 shares of Danish companies, correct?</p> <p>7 A. Yes.</p> <p>8 Q. Okay. And so you moved there in</p> <p>9 2002?</p> <p>10 A. Yes.</p> <p>11 Q. What were your responsibilities --</p> <p>12 it's my understanding that you became the head of</p> <p>13 accounting, too, in January 2009, correct?</p> <p>14 A. Yes.</p> <p>15 Q. Between 2002 and January --</p> <p>16 A. Same job, new name.</p> <p>17 Q. Same job, new name?</p> <p>18 A. Yes.</p> <p>19 MR. WEINSTEIN: Just let her finish</p> <p>20 her question.</p> <p>21 THE WITNESS: Sorry.</p> <p>22 MR. WEINSTEIN: Because it makes</p> <p>23 his job harder.</p> <p>24 BY MS. MCCARTHY:</p> <p>25 Q. All right. So your</p>	<p>1 responsibilities were steady throughout that time?</p> <p>2 A. Yes.</p> <p>3 Q. All right. And you called your</p> <p>4 function in that unit "bookkeeping," correct?</p> <p>5 A. Yes.</p> <p>6 Q. Yet you -- you raised a lot of</p> <p>7 issues while you were in that unit, correct?</p> <p>8 A. Yes.</p> <p>9 Q. Concerns that you were seeing --</p> <p>10 you had about dividend reclaims being paid to</p> <p>11 investors, correct?</p> <p>12 A. Also, yes.</p> <p>13 Q. Okay. And -- and that was despite</p> <p>14 being told that you had a bookkeeping function?</p> <p>15 MR. WEINSTEIN: Objection to form.</p> <p>16 BY MS. MCCARTHY:</p> <p>17 Q. Correct? You may answer.</p> <p>18 A. Yeah. But since we were the only</p> <p>19 one dealing with dividend tax, we were the only</p> <p>20 one able to tell what was wrong maybe or what was</p> <p>21 problems, or how we could improve things.</p> <p>22 So of course, that was part of my</p> <p>23 duty to do that.</p> <p>24 Q. Right. And so you -- you felt</p> <p>25 obligated to notify your superiors of issues that</p>
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<p>1 you saw in the dividend tax unit, correct?</p> <p>2 A. Yes.</p> <p>3 Q. Okay. And at some point, that</p> <p>4 became called Accounting II. And we are going to</p> <p>5 come back to that and talk about that in more</p> <p>6 detail.</p> <p>7 But in just finishing your career,</p> <p>8 it's correct that you retired from SKAT in</p> <p>9 December of 2013, correct?</p> <p>10 A. Yes.</p> <p>11 Q. And was that because you had hit</p> <p>12 retirement age --</p> <p>13 A. No.</p> <p>14 Q. -- or did you want to retire?</p> <p>15 A. I wanted to retire because it was</p> <p>16 five years after the retirement date.</p> <p>17 Q. Sixty-five is the age in Denmark?</p> <p>18 A. Yes. Yes.</p> <p>19 Q. That seems quite young as I get</p> <p>20 closer to it.</p> <p>21 So you stayed an extra five years?</p> <p>22 A. Yes.</p> <p>23 Q. Are you happy that you did that?</p> <p>24 A. Yeah, I love my job.</p> <p>25 Q. Okay. As you just went over, you</p>	<p>1 identified a number of issues and problems when</p> <p>2 you were working at SKAT, correct?</p> <p>3 A. Mm-Hmm.</p> <p>4 Q. And specifically, you saw problems</p> <p>5 with SKAT's controls that made it likely that SKAT</p> <p>6 would issue erroneous refunds, correct?</p> <p>7 MR. WEINSTEIN: Objection to form.</p> <p>8 THE WITNESS: I don't understand</p> <p>9 that word.</p> <p>10 THE INTERPRETER: Erroneous?</p> <p>11 THE WITNESS: Yes.</p> <p>12 (Interpreter Translating).</p> <p>13 THE WITNESS:</p> <p>14 A. Well, if you have a system and you</p> <p>15 can see possibilities, and I mean, Denmark was not</p> <p>16 the only one, then you should tell that here truth</p> <p>17 be something that was not good. It is not good</p> <p>18 administration not to know.</p> <p>19 (Court reporter clarification.)</p> <p>20 THE WITNESS: Not to know.</p> <p>21 BY MS. MCCARTHY:</p> <p>22 Q. Not to know what?</p> <p>23 A. What to -- that you could end with</p> <p>24 some difficulties.</p> <p>25 Q. I want to try to understand what</p>

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<p>1 office dealing with that.</p> <p>2 So the interest of what happened in</p> <p>3 our little world was not very big. So it was</p> <p>4 very, very difficult to get through and have</p> <p>5 changes made.</p> <p>6 BY MS. MCCARTHY:</p> <p>7 Q. Yet you kept trying?</p> <p>8 A. That's why there are so many</p> <p>9 papers.</p> <p>10 Q. Right. Because you kept trying?</p> <p>11 A. Yes.</p> <p>12 Q. Right?</p> <p>13 A. Yes.</p> <p>14 Q. With foreign -- with -- withdrawn.</p> <p>15 Was it a priority of the Danish</p> <p>16 government to encourage foreign investment in</p> <p>17 Denmark?</p> <p>18 MR. WEINSTEIN: Objection to form.</p> <p>19 THE WITNESS:</p> <p>20 A. I know that there's always an</p> <p>21 encouragement, and there is a will to make it as</p> <p>22 easy as possible for foreigners. And I would</p> <p>23 think that the net dividend tax was the best. So</p> <p>24 no problem, you get the money right away and you</p> <p>25 have no problem with refund and everything.</p>	<p>1 But it didn't -- it didn't happen.</p> <p>2 BY MS. MCCARTHY:</p> <p>3 Q. With the net would have been a very</p> <p>4 easy way; is that what you're saying?</p> <p>5 A. Yes. Yes.</p> <p>6 Q. Yet there was resistance to that?</p> <p>7 A. Yes.</p> <p>8 Q. And is it fair to say that you were</p> <p>9 encouraged to provide service to taxpayers -- to</p> <p>10 shareholders, to investors? Withdrawn. I'm going</p> <p>11 to try that again.</p> <p>12 Is it fair to say that the</p> <p>13 government valued providing service to foreign</p> <p>14 investors?</p> <p>15 MR. WEINSTEIN: Objection to form.</p> <p>16 THE WITNESS:</p> <p>17 A. I think our whole tax</p> <p>18 administration is very much a service organization</p> <p>19 to help all taxpayers, including shareholders.</p> <p>20 And I think we've done a lot all</p> <p>21 the time to talk with a lot of people, to make</p> <p>22 things clear and easier and better, and help</p> <p>23 people understand what we are thinking to make</p> <p>24 everything go easy and smoothly.</p> <p>25 And that, I think, is in -- in a</p>
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<p>1 way in the DNA of Denmark.</p> <p>2 BY MS. MCCARTHY:</p> <p>3 Q. But at the same time, resources</p> <p>4 were being cut within your division, correct?</p> <p>5 MR. WEINSTEIN: Objection to form.</p> <p>6 THE WITNESS:</p> <p>7 A. Not only my division. All over</p> <p>8 tax, and that is because on 1st of November 2005,</p> <p>9 the state tax administration merged with the local</p> <p>10 authority tax administration. Before that we had</p> <p>11 a two-level system. And that was merged to one</p> <p>12 system.</p> <p>13 And of course, when you merge two</p> <p>14 things, you should have a benefit out of it. So</p> <p>15 that is partly also why we had to cut so many</p> <p>16 things.</p> <p>17 BY MS. MCCARTHY:</p> <p>18 Q. What impact did those cuts have on</p> <p>19 your ability to review foreign claims for refunds?</p> <p>20 A. Well, it didn't had exactly an</p> <p>21 impact on us. But the all-around feeling in tax</p> <p>22 was that everything was tighter and fewer people.</p> <p>23 So being helpful, because what you</p> <p>24 were doing, you had to do it -- it was very -- you</p> <p>25 didn't have time to go out and help. The way</p>	<p>1 everything was organized was more strict and --</p> <p>2 and you had less -- less possibility. We were --</p> <p>3 that I think in 2009 where we had established</p> <p>4 seven pillars with different topics. Mine was in</p> <p>5 the account system, the bookkeeping system.</p> <p>6 And it was very difficult to go</p> <p>7 from one pillar to another to have them help -- if</p> <p>8 I saw something I wanted investigated, we didn't</p> <p>9 have any investigators in my group.</p> <p>10 I had to wait for them to ask to do</p> <p>11 it maybe the next year. So everything got tighter</p> <p>12 and more difficult.</p> <p>13 Q. So even if you recognized a</p> <p>14 problem, a potential issue with a weekly --</p> <p>15 A. Of course.</p> <p>16 MR. WEINSTEIN: You have to let her</p> <p>17 finish her question.</p> <p>18 THE WITNESS: Sorry.</p> <p>19 BY MS. MCCARTHY:</p> <p>20 Q. Even if you -- you saw a problem</p> <p>21 and you -- you sent it off for investigation, you</p> <p>22 may still have to pay that reclaim, correct?</p> <p>23 MR. WEINSTEIN: Objection to form.</p> <p>24 THE WITNESS:</p> <p>25 A. If I did such a thing, of course,</p>

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<p style="text-align: right;">Page 58</p> <p>1 (Court reporter clarification.)</p> <p>2 THE WITNESS: Flew.</p> <p>3 A. It is not a certain amount that the</p> <p>4 company is giving out as dividend. It differs</p> <p>5 from year to year. And so it's rather difficult</p> <p>6 to know beforehand how much should we expect. If</p> <p>7 things are going well, you expect more. But you</p> <p>8 are not certain which company is doing well or</p> <p>9 not.</p> <p>10 And then we had the financial</p> <p>11 crisis, and Danish banks were not allowed to pay</p> <p>12 out dividends for some years. And of course, that</p> <p>13 has an impact on all the dividends that we are</p> <p>14 talking about.</p> <p>15 It is -- you have to be very</p> <p>16 interested in your work and to have a good nose</p> <p>17 for what is happening in society to be able to</p> <p>18 deal with this.</p> <p>19 And I have said that I think -- I</p> <p>20 really think that if the group of the good people</p> <p>21 we were had been there, we would have discovered</p> <p>22 this fraud before. That is my point of view.</p> <p>23 But I was not there, and the others</p> <p>24 were not there. There was only one left.</p> <p>25</p>	<p style="text-align: right;">Page 59</p> <p>1 BY MS. MCCARTHY:</p> <p>2 Q. Why did that happen? Why was your</p> <p>3 group disbanded?</p> <p>4 A. Because --</p> <p>5 MR. WEINSTEIN: Objection to form.</p> <p>6 THE WITNESS:</p> <p>7 A. -- when we started in 1970 with the</p> <p>8 withholding tax system, a lot of people were</p> <p>9 employed, and many of those were still in my</p> <p>10 group.</p> <p>11 So if they were employed in '70, in</p> <p>12 '10 or a little after, they were supposedly going</p> <p>13 home, be retired.</p> <p>14 So they saw a chance of -- and we</p> <p>15 had -- we had installed a new keying-in system for</p> <p>16 the companies, so we didn't have these piles of</p> <p>17 paper anymore, everything was going into the</p> <p>18 machine by the company.</p> <p>19 So a lot of our tasks had</p> <p>20 disappeared. And so they said: "Go home. We are</p> <p>21 not starting a new one. We are not starting a new</p> <p>22 group."</p> <p>23 And actually, the refund of</p> <p>24 dividend tax was almost the only task left as the</p> <p>25 companies now were doing the work we had done</p>
<p style="text-align: right;">Page 60</p> <p>1 before by keying in the declaration and</p> <p>2 recipients.</p> <p>3 (Court reporter clarification.)</p> <p>4 THE WITNESS: Recipients. Sorry.</p> <p>5 BY MS. MCCARTHY:</p> <p>6 Q. What was Sven left to do then?</p> <p>7 A. Refund.</p> <p>8 Q. So he had to still review the --</p> <p>9 the applications, correct?</p> <p>10 A. Yes.</p> <p>11 Q. And he was doing that all by</p> <p>12 himself?</p> <p>13 A. Yes.</p> <p>14 Q. Did he have a supervisor?</p> <p>15 A. Yes.</p> <p>16 Q. Do you know who that was?</p> <p>17 A. I'm not sure because there were</p> <p>18 several people involved. And I didn't follow when</p> <p>19 I left. I left. So I didn't know how the daily</p> <p>20 work was when I had gone.</p> <p>21 Q. So -- imagine that it was fairly</p> <p>22 frustrating for you to raise the concerns that you</p> <p>23 raised within SKAT and to not have -- not to be</p> <p>24 taken seriously?</p> <p>25 MR. WEINSTEIN: Objection to form.</p>	<p style="text-align: right;">Page 61</p> <p>1 THE WITNESS:</p> <p>2 A. I must say that we also managed to</p> <p>3 get a lot of things through. This keying-in</p> <p>4 self-system was solving a lot of problems. Wow.</p> <p>5 We got it made. And a lot of other things that</p> <p>6 were troubling our work, we also had changed into</p> <p>7 the better.</p> <p>8 The forms, when we arrived, had one</p> <p>9 page, and a second page where the tax authority of</p> <p>10 the country where the recipient is living, on the</p> <p>11 second page. So you could switch the first page</p> <p>12 and nobody would know.</p> <p>13 So we made it all in one page, so</p> <p>14 it happens in one page.</p> <p>15 I mean, small things, but we were</p> <p>16 trying to tighten up loopholes and -- and get rid</p> <p>17 of difficulties.</p> <p>18 Q. Mm-hmm.</p> <p>19 A. And then, of course, when you have</p> <p>20 some victories, it's easier to continue than only</p> <p>21 if you had notes all the time.</p> <p>22 Q. Right. When you testified before</p> <p>23 the Commission, you expressed your frustration</p> <p>24 about not being listened to by your superiors,</p> <p>25 correct?</p>

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<p style="text-align: right;">Page 78</p> <p>1 listed companies give to SKAT regarding 2 shareholders? 3 A. They don't do it. It is the 4 VP Securities that do it. 5 Q. All right. So is that a gap 6 then -- 7 A. No. 8 Q. -- in the information -- 9 A. No. 10 Q. -- that -- if you could let me 11 finish the question. 12 Because what I'm hearing is that if 13 the shareholder has an account in a Danish bank, 14 then VP Securities is able to report to SKAT what 15 amount of dividend was given to a specific 16 shareholder, correct? 17 A. Correct. 18 Q. However, if it's a foreign 19 shareholder without a Danish account and they 20 invest in a listed company, that the listed 21 company does not provide the shareholder 22 information to SKAT, correct? 23 A. Correct. 24 MR. WEINSTEIN: Objection to form. 25</p>	<p style="text-align: right;">Page 79</p> <p>1 BY MS. MCCARTHY: 2 Q. Is -- and I was asking you if that 3 constituted then a gap in information to SKAT? 4 A. But it was as it had always been. 5 It was as it has always been. Since the system 6 was put in place in the '80s, we didn't have any 7 information about shareholders not having a depot 8 in Denmark. 9 Q. Okay. So that was something 10 that -- that if SKAT then received a reclaim 11 application by a foreign shareholder without a 12 Danish bank account, how could you verify their -- 13 that that shareholder received a dividend? 14 A. I could only verify it by his claim 15 and by the invoice from the bank telling that he 16 had received that amount of dividend. 17 Q. Okay. 18 MS. MCCARTHY: So if we could go to 19 Exhibit 3051, if you could mark that, 20 Mr. Reporter. 21 3051 should be a form, Claim to 22 Relief from Danish dividend Tax. 23 Oh, I'm so sorry, it's 3016. I 24 apologize. I know, I sent you to -- I sent you to 25 a very big document. I meant to send you to a</p>
<p style="text-align: right;">Page 80</p> <p>1 very short document. 2 (Exhibit 3016 marked for 3 identification.) 4 BY MS. MCCARTHY: 5 Q. Ms. Romer, do you see that 6 document? 7 A. Yes. 8 Q. Do you recognize it? 9 A. Yes. 10 Q. What is it? 11 A. It is the form to Claim Relief from 12 Danish Dividend Tax. 13 Q. And is this -- was this form 14 provided by SKAT in different languages? 15 A. Yes. 16 Q. And this is the English form, 17 correct? 18 A. Yes. 19 Q. Okay. And is this the form that 20 you were talking about earlier today -- 21 A. Yes. 22 Q. -- that a shareholder would fill 23 out when they were asking for -- 24 A. Refund. 25 Q. -- refund of the tax withheld by</p>	<p style="text-align: right;">Page 81</p> <p>1 SKAT, correct? 2 A. Correct. 3 Q. Okay. And so can you go over again 4 for us what the circumstances needed to be in 5 order for a shareholder to use this specific form? 6 MR. WEINSTEIN: Objection to form. 7 THE WITNESS: 8 A. Of course. The shareholder should 9 be a shareholder who was a beneficial owner of the 10 shares at the time where the dividend was decided 11 at the general assembly; and should be living in a 12 country with which Denmark had a double-taxation 13 treaty. 14 And should be a taxpayer in the 15 country that he was claiming he came from, as we 16 had different tax percentages in different tax -- 17 double taxation agreements. It was also important 18 that it was the right country that he claimed to 19 be taxpayer in. 20 BY MS. MCCARTHY: 21 Q. Okay. And before approving a 22 refund, SKAT would review the information provided 23 on this form, correct? 24 A. Yes. 25 Q. Okay. And who was the employee</p>



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22 (Pages 82 to 85)

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<p>1 that worked with you who was responsible for</p> <p>2 reviewing these forms?</p> <p>3 A. That was Mr. Sven that we talked</p> <p>4 about before.</p> <p>5 Q. Sven Nielsen?</p> <p>6 A. Yes.</p> <p>7 Q. N-I-E-L-S-E-N?</p> <p>8 A. Yes.</p> <p>9 Q. Okay. And was Mr. Nielsen always</p> <p>10 the person responsible for reviewing this form?</p> <p>11 A. Yes.</p> <p>12 Q. In the entire time you worked in</p> <p>13 Accounting II?</p> <p>14 A. Yes.</p> <p>15 Q. Was there anyone else that did</p> <p>16 this?</p> <p>17 A. Yes, there were people helping</p> <p>18 because the amount was increasing. And different</p> <p>19 from the group helped him out with this.</p> <p>20 Q. Did you ever review these and help</p> <p>21 him out?</p> <p>22 A. No. No.</p> <p>23 Q. But you were familiar with the</p> <p>24 form?</p> <p>25 A. Yes.</p>	<p>1 Q. Okay. And could Mr. Nielsen read</p> <p>2 English?</p> <p>3 A. Yes.</p> <p>4 Q. Okay. And SKAT paid refunds only</p> <p>5 if the information on the form was filled out,</p> <p>6 correct?</p> <p>7 A. Yes.</p> <p>8 Q. And the required documentation was</p> <p>9 attached?</p> <p>10 A. Yes.</p> <p>11 Q. All right. Did SKAT do anything to</p> <p>12 verify the information on the forms?</p> <p>13 A. But that was the thing, that we had</p> <p>14 to rely on the information we got. You have the</p> <p>15 Claimant, and then you had the certification from</p> <p>16 the financial institution that the dividend was</p> <p>17 paid to this person.</p> <p>18 Q. Okay. So it was -- the best you</p> <p>19 could -- all you could do was rely on what was</p> <p>20 provided to SKAT?</p> <p>21 A. Yes.</p> <p>22 MR. WEINSTEIN: Objection to form.</p> <p>23 BY MS. MCCARTHY:</p> <p>24 Q. And if the information was</p> <p>25 completely filled out and the attaching documents</p>
Page 84	Page 85
<p>1 were there --</p> <p>2 A. Supporting.</p> <p>3 Q. -- supporting documents, then the</p> <p>4 refund would be paid, correct?</p> <p>5 A. Yes.</p> <p>6 Q. And was this the same form that was</p> <p>7 used from -- in the time that you were in</p> <p>8 Accounting II?</p> <p>9 A. We improved the form, as I told,</p> <p>10 that the certification from the tax authorities</p> <p>11 was on a separate page which we found was not so</p> <p>12 clever. And therefore, we put it together so that</p> <p>13 it could all be in one page.</p> <p>14 Q. And were you -- what was the</p> <p>15 concern that you had by having the certification</p> <p>16 on a separate page?</p> <p>17 A. You can substitute the first page.</p> <p>18 (Court reporter clarification.)</p> <p>19 THE WITNESS:</p> <p>20 A. You can substitute the first page</p> <p>21 without the tax authorities knowing what you are</p> <p>22 doing.</p> <p>23 BY MS. MCCARTHY:</p> <p>24 Q. Okay. So that change in your form</p> <p>25 then was to try to reduce the risk of fraud,</p>	<p>1 right?</p> <p>2 A. Yeah.</p> <p>3 Q. Okay. If we can just go through</p> <p>4 the form quickly. The form says that the claim is</p> <p>5 made for refund of Danish dividend tax, and then</p> <p>6 it gives the total Danish kroner being sought at</p> <p>7 the very top, right?</p> <p>8 A. Yes.</p> <p>9 Q. Did the reviewers do anything to</p> <p>10 independently verify the accuracy of the total</p> <p>11 Danish kroner amount?</p> <p>12 A. We calculated -- not always. That</p> <p>13 depended on the amount and the situation.</p> <p>14 But we calculate it, of course, if</p> <p>15 they had calculated the right way and if they had</p> <p>16 used the right percentage from the double-taxation</p> <p>17 treaty. And...</p> <p>18 Q. Okay. So it might depend upon the</p> <p>19 country?</p> <p>20 A. Yes.</p> <p>21 Q. And the agreement between</p> <p>22 Denmark --</p> <p>23 A. Yes.</p> <p>24 Q. -- and that country?</p> <p>25 Are you familiar with the</p>

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23 (Pages 86 to 89)

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<p>1 double-taxation treaty between Denmark and the 2 United States?</p> <p>3 A. I have fortunately forgotten, 4 sorry.</p> <p>5 Q. Was there a time when you were 6 familiar with it?</p> <p>7 A. Yeah. When paragraph 10 was 8 introduced.</p> <p>9 Q. Paragraph 10? 10 THE INTERPRETER: Section 10. 11 THE WITNESS: 12 A. Section 10 was introduced when the 13 pension schemes in the States. I think it was in 14 '10 it was introduced.</p> <p>15 BY MS. MCCARTHY: 16 Q. Okay. Can you tell us about 17 Section 10?</p> <p>18 A. Yes. But it was giving fully tax 19 exemption for pension schemes in the States.</p> <p>20 Q. Do you know when that went into 21 effect?</p> <p>22 A. '10. 23 Q. 2010? 24 A. I think it was in '10. 25 Q. Okay. When Section 10 went into</p>	<p>1 effect, did you see any increase in pension plans 2 making reclaim applications?</p> <p>3 A. Yes. 4 Q. Was it a significant increase or 5 just a little bump?</p> <p>6 A. It was a significant increase. And 7 I recall that this was new land for us, and we 8 would make a lot of new pension schemes. And we 9 were curious, so we tried to look up the different 10 things.</p> <p>11 But yeah, when something new 12 happens, you try to get familiar with things. And 13 that we did, and it was -- it was a lot of extra 14 work at that time.</p> <p>15 Q. So when you say "we," who tried to 16 look them up?</p> <p>17 A. Those who were working with 18 refunds, Sven and his helpers.</p> <p>19 Q. How many people did that entail? 20 A. I think there were two more than 21 Sven, two more, maybe three.</p> <p>22 Q. And did you participate in this 23 research?</p> <p>24 A. We were always -- we were having a 25 lot of meetings talking about what we were doing,</p>
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<p>1 so we were very familiar with what happened in our 2 little group and following each other. 3 So I was informed.</p> <p>4 Q. Okay. You were informed. But did 5 you participate in doing the research?</p> <p>6 A. No. 7 Q. So it was Sven and maybe two other 8 people?</p> <p>9 A. Maybe two or three other people, 10 yes.</p> <p>11 Q. Do you know who the other two or 12 three were? Do you remember?</p> <p>13 A. I remember the two of them. There 14 was one called Bente.</p> <p>15 THE INTERPRETER: B-E-N-T-E. 16 THE WITNESS: Fridberg. 17 THE INTERPRETER: Last name, 18 Fridberg, F-R-I-D-B-E-R-G. 19 THE WITNESS: And I think Jette 20 Hansen. 21 THE INTERPRETER: And second, 22 Jette, J-E-T-T-E, last name Hansen, H-A-N-S-E-N. 23 BY MS. MCCARTHY: 24 Q. And so those three people, I am not 25 going to repeat their names, all worked in</p>	<p>1 Accounting II, correct?</p> <p>2 A. Yes. 3 Q. What -- other than -- other than 4 helping in this research or pension plans, what 5 were each of their roles?</p> <p>6 A. Oh, but they had different roles in 7 all the paper, rekeying in all the documents that 8 we had at that time.</p> <p>9 Q. Because this was before TastSelv 10 went into effect, right?</p> <p>11 A. Yes. Yes. 12 Q. So you were receiving paper in -- 13 A. Lots of paper, lots of paper. 14 Q. Did these dividend claim forms, did 15 those continue to be submitted in paper by the 16 time you retired?</p> <p>17 A. Yes. 18 Q. Okay. Was there an effort to make 19 these electronically available?</p> <p>20 A. No. We didn't have that on our 21 agenda.</p> <p>22 Q. Okay. So this paper continued? 23 A. Yes. 24 Q. Right. And going back to the 25 Section 10 when US pension plans were given full</p>

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25 (Pages 94 to 97)

<p style="text-align: right;">Page 94</p> <p>1 MR. WEINSTEIN: Objection to form.</p> <p>2 THE WITNESS:</p> <p>3 A. That -- that was -- of course, it</p> <p>4 had to be the beneficial owner, the one who was</p> <p>5 entitled to the dividend at the beginning, and by</p> <p>6 that also could claim a refund.</p> <p>7 BY MS. MCCARTHY:</p> <p>8 Q. And did you have an understanding</p> <p>9 of the term "beneficial ownership"?</p> <p>10 A. Yeah. I had, I think the</p> <p>11 understanding that we had in Denmark that you are</p> <p>12 registered as an -- as an owner, and as long as</p> <p>13 you are registered as an owner, you would be the</p> <p>14 beneficial owner, considered the beneficial owner.</p> <p>15 And for the dividend, it is the</p> <p>16 time of where the dividend is decided at the</p> <p>17 national -- at the general assembly, that is what</p> <p>18 makes you beneficial owner.</p> <p>19 Q. So if you own the shares at the</p> <p>20 time that the general assembly decides to issue</p> <p>21 the dividend --</p> <p>22 A. You are the beneficial owner.</p> <p>23 Q. Okay. And again, was there any way</p> <p>24 to verify the beneficial ownership of shares</p> <p>25 through this form?</p>	<p style="text-align: right;">Page 95</p> <p>1 MR. WEINSTEIN: Objection. Asked</p> <p>2 and answered.</p> <p>3 MS. MCCARTHY: So I don't believe</p> <p>4 asked and answered is an appropriate objection.</p> <p>5 If you have an objection to form, if you could</p> <p>6 just say "objection to form." It's not helpful,</p> <p>7 frankly, and I think it's obstructive for you to</p> <p>8 give your other reasons for objections. I'm just</p> <p>9 going to ask you not to do that anymore.</p> <p>10 MR. WEINSTEIN: Okay. Well, I'll</p> <p>11 ask you not to say: And again, I'm going to ask</p> <p>12 you the same question I just asked before.</p> <p>13 I don't think that's appropriate</p> <p>14 either.</p> <p>15 MS. MCCARTHY: I have to look back</p> <p>16 and see what I was just saying.</p> <p>17 THE WITNESS: Beneficial owner.</p> <p>18 MS. MCCARTHY: Yes. All right.</p> <p>19 BY MS. MCCARTHY:</p> <p>20 Q. And then the form then says at the</p> <p>21 bottom, there's a certification of the competent</p> <p>22 authority, correct?</p> <p>23 A. Yes.</p> <p>24 Q. What is the competent authority?</p> <p>25 A. That is the tax authority in the</p>
<p style="text-align: right;">Page 96</p> <p>1 country where the beneficial owner is supposed to</p> <p>2 be taxpayer.</p> <p>3 Q. All right. And what would you</p> <p>4 expect to see here?</p> <p>5 A. A stamp and a signature.</p> <p>6 Q. An official stamp from the tax</p> <p>7 authority?</p> <p>8 A. Yes.</p> <p>9 Q. Okay. And was there any way to</p> <p>10 confirm the legitimacy of those stamps?</p> <p>11 A. We tried to make it, and when it's</p> <p>12 from Japan it's quite difficult to know it's</p> <p>13 upside down or what. So it is -- it can be</p> <p>14 difficult.</p> <p>15 But normally we can sort of figure</p> <p>16 out what the stamp is about and whether it seems</p> <p>17 appropriate.</p> <p>18 Q. And what would happen if, for</p> <p>19 instance, the form was submitted without one piece</p> <p>20 of information that was required?</p> <p>21 A. We would not fulfill it. We would</p> <p>22 send it back.</p> <p>23 Q. Okay. And were there -- are you</p> <p>24 aware of any occasions when additional questions</p> <p>25 were asked of the person who identified themselves</p>	<p style="text-align: right;">Page 97</p> <p>1 as the beneficial owner?</p> <p>2 A. But if they had filled in this</p> <p>3 correctly (indicating) and sent the invoice in as</p> <p>4 well, and everything was tallying, was matching,</p> <p>5 we wouldn't ask any more questions.</p> <p>6 Q. Okay. Did SKAT have the ability,</p> <p>7 though, if it wanted to, to ask the -- the</p> <p>8 individual or the entity on the form for</p> <p>9 additional information?</p> <p>10 A. Yes.</p> <p>11 Q. Okay. You had -- withdrawn.</p> <p>12 I think we discussed earlier the</p> <p>13 fact that the government -- and you said Denmark</p> <p>14 was a service-friendly country, right?</p> <p>15 A. Mm-Hmm.</p> <p>16 Q. Was there any hesitancy as your --</p> <p>17 on behalf of the Accounting II to ask additional</p> <p>18 questions of Claimants, in part because of that</p> <p>19 view towards reducing burdens for taxpayers?</p> <p>20 MR. WEINSTEIN: Objection.</p> <p>21 THE WITNESS:</p> <p>22 A. If we felt we had to do it, we will</p> <p>23 do it.</p> <p>24 BY MS. MCCARTHY:</p> <p>25 Q. Okay.</p>

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26 (Pages 98 to 101)

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1           **A.**     Still, we are dealing the money of  
2     Denmark. So we're not just closing our eyes. If  
3     we felt that something should be investigated,  
4     maybe not our group, but somewhere else in the tax  
5     system.  
6           **Q.**     Okay. So you could elevate it to  
7     another —  
8           **A.**     Yes.  
9           **Q.**     — level or to another —  
10          **A.**     Yes.  
11          **Q.**     — unit, correct?  
12          **A.**     Yes. Yes.  
13          **Q.**     Okay. Have you heard of the term  
14     KuMEX?  
15          **A.**     No.  
16          **Q.**     Did SKAT's practice for processing  
17     refund claims change between January 2012 and the  
18     time of your retirement in December of 2013?  
19          **A.**     Sorry. Could I have it again?  
20          **Q.**     Sure. Between January of 2012 and  
21     when you retired —  
22          **A.**     Yes.  
23          **Q.**     — in December of 2013, was there  
24     any change made in the way that reclaim  
25     applications were processed?

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1           **A.**     No.  
2           **Q.**     Once a reclaim application was  
3     filed with SKAT, was there a particular period of  
4     time within which the refund needed to be paid?  
5           **A.**     Yeah.  
6           **Q.**     What was that?  
7           **A.**     We — at the beginning. And I  
8     don't recall when we changed it. But at the  
9     beginning, we had to make the refund within 30  
10    days. Otherwise, you had to pay interest to the  
11    beneficial owner for not dealing with it fast  
12    enough.  
13                   But that was changed to half a year  
14    later on. And I can't recall exactly when that  
15    was.  
16          **Q.**     Did you have anything to do with  
17    getting that time period extended?  
18          **A.**     Well, we thought it was quite good.  
19    Because if the circumstances were right, you  
20    should actually pay the claim of refund before the  
21    tax was paid by the company.  
22                   So you paid out before you got the  
23    money in, which we thought was not that clever.  
24          **Q.**     You thought it wasn't that clever?  
25          **A.**     No.

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1           **Q.**     So just to — to make sure I  
2     understand, when it was 30 days' time period —  
3           **A.**     Yes.  
4           **Q.**     — then it could be that the  
5     company had not paid its withholding tax in to the  
6     treasure?  
7           **A.**     Yes.  
8           **Q.**     And so you would be sending money  
9     out that hadn't been paid in yet?  
10          **A.**     Exactly.  
11          **Q.**     Okay. So you were trying to he  
12     eliminate that ability by extending the period to  
13     six months?  
14          **A.**     Correct.  
15          **Q.**     And was that — did that take some  
16     time to get that period of time extended?  
17          **A.**     Yes. Because you had to — you had  
18     to have your laws in order, and it's quite  
19     difficult. It takes time.  
20          **Q.**     Did that require a change in the  
21     law?  
22          **A.**     I don't recall if it was a law or  
23     a —  
24                   THE INTERPRETER: Executive order.  
25                   THE WITNESS: I don't recall if it

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1     was one or the other. But it took time.  
2     BY MS. MCCARTHY:  
3           **Q.**     Okay. So when it was a 30-day  
4     period, is it fair to say there was some pressure  
5     in Accounting II to process these reclaims very  
6     quickly?  
7           **A.**     Yes. Yes.  
8           **Q.**     And was an employee's performance,  
9     either under the 30-day deadline or the six-month  
10    deadline, in any way measured by how quickly these  
11    were processed?  
12          **A.**     You could see it in our accounting  
13    system.  
14          **Q.**     And when was —  
15          **A.**     When you paid out and how much.  
16    And so from there, you will follow what is  
17    happening.  
18          **Q.**     Did that reflect an employee's  
19    productivity, for instance?  
20          **A.**     Well, we were so few, and we  
21    didn't — we numbered all the — the forms here.  
22    So we could actually always see where we were in  
23    the process. And — but we were not — we knew  
24    that everybody was working hard. We could see —  
25    we also had a monthly talk about the situation

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<p>1 talked about it as a hypothetical.</p> <p>2 THE INTERPRETER: Hypothetical.</p> <p>3 THE WITNESS: Hypothetical issue</p> <p>4 that could be problems.</p> <p>5 BY MS. MCCARTHY:</p> <p>6 Q. Okay. And one of the issues</p> <p>7 identified in this report was that there was no</p> <p>8 check on whether a refund is made twice, right?</p> <p>9 A. Yeah.</p> <p>10 Q. And that could be because there is</p> <p>11 a -- there was a scheme called the bank scheme or</p> <p>12 the spreadsheet scheme, right?</p> <p>13 A. Yes.</p> <p>14 Q. And can you tell us what that is?</p> <p>15 A. That was established before my time</p> <p>16 and because, as I said, that there was a large</p> <p>17 increase in the interest of Danish shares, and</p> <p>18 therefore, more claim for refund.</p> <p>19 And so we made a deal with two</p> <p>20 banks in 2001 where the banks would send us the</p> <p>21 claim from their customers, not by the individual</p> <p>22 customer but as per the Danish companies, how many</p> <p>23 were to claim refund from that company as a lump</p> <p>24 sum.</p> <p>25 Q. So individual shareholders were not</p>	<p>1 listed. It was a here's a dollar amount for the</p> <p>2 total?</p> <p>3 A. Yes. For -- but of course, in our</p> <p>4 agreement with the banks, we also said that at any</p> <p>5 stage, any moment, we could ask for the full</p> <p>6 documentation behind the spreadsheet.</p> <p>7 Q. Okay. And how frequently did that</p> <p>8 happen?</p> <p>9 A. Oh, I don't recall how often. But</p> <p>10 it happened, of course.</p> <p>11 Q. And did -- were problems ever seen</p> <p>12 in the backup?</p> <p>13 A. Oh, banks do make mistakes also.</p> <p>14 So sometimes they send the same spreadsheet twice.</p> <p>15 I mean, we would discover that.</p> <p>16 Q. But there was a concern, was there</p> <p>17 not, that a refund could be paid to the bank under</p> <p>18 the spreadsheet, and then a paper application like</p> <p>19 the one we just reviewed --</p> <p>20 A. Yes.</p> <p>21 Q. -- could also be submitted?</p> <p>22 A. That is the case. For instance,</p> <p>23 you ask your bank to do it and you do it yourself</p> <p>24 also. It may just be sheer you don't recall you</p> <p>25 asked the bank. So that happens.</p>
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<p>1 Q. So there was a risk that SKAT could</p> <p>2 pay twice --</p> <p>3 A. Yes.</p> <p>4 Q. -- for a reclaim, yes?</p> <p>5 A. For individuals we had it in the</p> <p>6 system, but for the spreadsheet it was not</p> <p>7 possible.</p> <p>8 Q. Okay. It was not possible to put</p> <p>9 that into the system?</p> <p>10 A. Yes.</p> <p>11 Q. Okay.</p> <p>12 A. Only as the totals.</p> <p>13 Q. And what sort of control did you</p> <p>14 want to see implemented to address this</p> <p>15 possibility of a double payment?</p> <p>16 A. We should like -- we should like</p> <p>17 to -- you have to -- you can claim refund for 20</p> <p>18 years.</p> <p>19 Q. That was the time period allowed</p> <p>20 under Danish law?</p> <p>21 A. Yes. So you could gather several</p> <p>22 years on the same claim. And when we key it in,</p> <p>23 we can only key it in in the accounting year on</p> <p>24 the date where we have that date where we refund.</p> <p>25 So that also is -- is a thing that</p>	<p>1 is very -- makes it very, very difficult to know</p> <p>2 exactly whether you have the refund of the company</p> <p>3 now as you may be claiming from years before.</p> <p>4 Q. So what -- what control did you</p> <p>5 think needed to be implemented to avoid that?</p> <p>6 A. Well, we thought that the whole</p> <p>7 system was not a good system. And I can only say</p> <p>8 net taxing.</p> <p>9 Q. Net taxing, that was your overall</p> <p>10 solution?</p> <p>11 A. Yeah. Because it was different</p> <p>12 rules going in different directions and...</p> <p>13 Q. Did you propose the net taxing at</p> <p>14 this time in 2004?</p> <p>15 A. No. It was growing, coming up. We</p> <p>16 had many problems at that time here. So we had to</p> <p>17 solve them first.</p> <p>18 Q. What were the other problems?</p> <p>19 A. Oh, but that was technical thing</p> <p>20 about which system to use for a thing. They have</p> <p>21 chosen a bad system, and two years after we got</p> <p>22 our old system back. But that has nothing to do</p> <p>23 with this.</p> <p>24 Q. That's the 3S system?</p> <p>25 A. Yeah. That's a good one.</p>

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<p style="text-align: right;">Page 114</p> <p>1       lending could be the reason --</p> <p>2               THE WITNESS: Oh, equity lending.</p> <p>3 BY MS. MCCARTHY:</p> <p>4       Q.       -- that it could be reclaimed from</p> <p>5       this French bank?</p> <p>6               MR. WEINSTEIN: Objection.</p> <p>7               THE WITNESS:</p> <p>8       A.       Yes.</p> <p>9 BY MS. MCCARTHY:</p> <p>10      Q.       And -- and -- and so can you</p> <p>11      explain that specific concern?</p> <p>12      A.       The concern that money might float</p> <p>13      where you are tax exempt even though you are not</p> <p>14      entitled -- entitled to the exemption.</p> <p>15      Q.       So the shares would flow to --</p> <p>16      A.       Yes.</p> <p>17      Q.       -- the tax exempt --</p> <p>18      A.       Yes.</p> <p>19      Q.       -- entity, right?</p> <p>20               So this one was caught, correct?</p> <p>21      A.       Yes.</p> <p>22      Q.       Okay. Was there any discussion</p> <p>23      within SKAT at this time, in 2004, about how to</p> <p>24      put controls in for this sort of issue?</p> <p>25      A.       No.</p>	<p style="text-align: right;">Page 115</p> <p>1               Q.       No?</p> <p>2               A.       No. And we -- double-taxation</p> <p>3      agreement with France was cancelled some years</p> <p>4      after.</p> <p>5               Q.       Some years after. Do you know how</p> <p>6      long that took?</p> <p>7               A.       But it was not only that issue.</p> <p>8      There were other issues, but for many years we</p> <p>9      didn't have a double-taxation agreement with</p> <p>10     France.</p> <p>11              Q.       Okay.</p> <p>12              A.       Which was not good for the people</p> <p>13      having houses in France also. But it's a two-way</p> <p>14      thing.</p> <p>15              Q.       Okay. Did -- did SKAT consider</p> <p>16      including on the reclaim form a confirmation that</p> <p>17      the shares were not subject to stock lending?</p> <p>18               MR. WEINSTEIN: Objection to form.</p> <p>19               THE WITNESS:</p> <p>20              A.       No.</p> <p>21 BY MS. MCCARTHY:</p> <p>22      Q.       Was that ever discussed within</p> <p>23      SKAT?</p> <p>24               MR. WEINSTEIN: Objection to form.</p> <p>25               THE WITNESS:</p>
<p style="text-align: right;">Page 116</p> <p>1              A.       No.</p> <p>2 BY MS. MCCARTHY:</p> <p>3      Q.       But that was a concern, though, of</p> <p>4      SKAT, correct?</p> <p>5               MR. WEINSTEIN: Objection.</p> <p>6               THE WITNESS:</p> <p>7      A.       Yes. But not as much as to claim</p> <p>8      it.</p> <p>9 BY MS. MCCARTHY:</p> <p>10     Q.       Not as much as to require the</p> <p>11     beneficial owner to claim this?</p> <p>12     A.       No.</p> <p>13     Q.       How -- how could you -- could SKAT</p> <p>14     then be sure that a beneficial owner was not</p> <p>15     claiming a refund based upon lent shares?</p> <p>16     A.       Normally you would not be able to</p> <p>17     see it. But if you sign yourself, you are the</p> <p>18     beneficial owner. And the bank is also saying you</p> <p>19     are the beneficial owner, you got the money. We</p> <p>20     have to believe it.</p> <p>21               MS. MCCARTHY: I think we've been</p> <p>22     going about an hour. Would you like a break?</p> <p>23               THE WITNESS: Yes. A little break.</p> <p>24               MS. MCCARTHY: Sure. We can go off</p> <p>25     the record.</p>	<p style="text-align: right;">Page 117</p> <p>1               THE VIDEOGRAPHER: Okay. The time</p> <p>2      is 7:07 a.m., New York time. We are going off the</p> <p>3      record.</p> <p>4               (Short recess taken.)</p> <p>5               THE VIDEOGRAPHER: The time is</p> <p>6      7:25 a.m. New York time, and we are back on</p> <p>7      record.</p> <p>8 BY MS. MCCARTHY:</p> <p>9      Q.       Ms. Romer, if you could turn now to</p> <p>10     Exhibit 3150.</p> <p>11               (Exhibit 3150 was marked for</p> <p>12     identification.)</p> <p>13 BY MS. MCCARTHY:</p> <p>14      Q.       It says</p> <p>15     Udbytteskatteadministrationen.</p> <p>16               Do you have that?</p> <p>17              A.       No.</p> <p>18               (Discussion off the record.)</p> <p>19 BY MS. MCCARTHY:</p> <p>20      Q.       All right. Have you -- are you</p> <p>21     familiar with this document?</p> <p>22              A.       I don't recall it, but I'm sure I</p> <p>23     made it.</p> <p>24              Q.       Well, if you could -- let's see.</p> <p>25     You are sure that you made it. Why are you sure</p>

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<p>1 years.</p> <p>2 <b>Q.</b> Then if I could ask you to look at</p> <p>3 page -- I think it's going to page 11. Is there a</p> <p>4 page number there? Yes, page 11. There is a --</p> <p>5 <b>A.</b> Yes.</p> <p>6 <b>Q.</b> -- problem listed, and it's my</p> <p>7 understanding that what this translates to is:</p> <p>8 "The Dividend Tax Administration does not normally</p> <p>9 check before payment is made, the declaration</p> <p>10 06.016 has been received or that the dividend tax</p> <p>11 has been paid. In some situations, refund</p> <p>12 petitions are received before the declaration is</p> <p>13 received. As there is a one-month deadline for</p> <p>14 the reimbursement payment before interest accrues,</p> <p>15 payment may have to be made before the declaration</p> <p>16 and payment deadline expires."</p> <p>17 And then lower -- later on, it says</p> <p>18 that: "There is no possibility of checking</p> <p>19 whether the claiming of the refund is the</p> <p>20 recipient of the dividends."</p> <p>21 And so this then you provide some</p> <p>22 solutions, right?</p> <p>23 <b>A.</b> Yes.</p> <p>24 <b>Q.</b> And one of those is to change the</p> <p>25 law so that a refund cannot be made until one</p>	<p>1 month after the deadline for declaration and</p> <p>2 reporting has expired.</p> <p>3 So is this your first effort to</p> <p>4 change that reporting?</p> <p>5 <b>A.</b> Yes.</p> <p>6 I don't know if it's the first, but</p> <p>7 this is the first big formal document. And it</p> <p>8 happened.</p> <p>9 <b>Q.</b> It happened. How long did it take</p> <p>10 for that to happen?</p> <p>11 <b>A.</b> Oh, it took some years. And then</p> <p>12 we got this six-month period, the one we were</p> <p>13 talking about before.</p> <p>14 <b>Q.</b> Okay. Well, this is -- this isn't</p> <p>15 about the 30-day period, right?</p> <p>16 <b>A.</b> Yes.</p> <p>17 <b>Q.</b> It is? One month after the</p> <p>18 deadline for declaration and reporting?</p> <p>19 <b>A.</b> That is what I said. You could pay</p> <p>20 out the dividend before you got the money from the</p> <p>21 company.</p> <p>22 <b>Q.</b> Okay.</p> <p>23 <b>A.</b> That's what this is talking about.</p> <p>24 <b>Q.</b> This addressed and would make it so</p> <p>25 that the Danish Treasury would receive --</p>
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<p>1 <b>A.</b> The money --</p> <p>2 <b>Q.</b> -- the money --</p> <p>3 <b>A.</b> -- before they refunded it.</p> <p>4 <b>Q.</b> -- from the corporation, before it</p> <p>5 paid it back to the shareholder?</p> <p>6 <b>A.</b> Yes.</p> <p>7 <b>Q.</b> Okay. And if you turn to page 14,</p> <p>8 you see there is a section about the decentralized</p> <p>9 administration of dividend tax?</p> <p>10 <b>A.</b> You said 14?</p> <p>11 <b>Q.</b> Page 15. Page 15 on the green.</p> <p>12 <b>A.</b> Okay. Thank you.</p> <p>13 <b>Q.</b> Can you explain what is being</p> <p>14 discussed here in number 5 on page 15?</p> <p>15 <b>A.</b> I have to read it first because I</p> <p>16 don't recall.</p> <p>17 <b>MR. WEINSTEIN:</b> I am sorry, do you</p> <p>18 happen to know which page on the translation?</p> <p>19 <b>MS. MCCARTHY:</b> Yes. It's under</p> <p>20 page -- sorry. ...fancy binder. (Retrieving</p> <p>21 document).</p> <p>22 <b>MR. BAHNSEN:</b> It's page 14 of 19 in</p> <p>23 the middle of the page.</p> <p>24 <b>MS. MCCARTHY:</b> Marc (showing</p> <p>25 document).</p>	<p>1 <b>MR. WEINSTEIN:</b> Oh, okay.</p> <p>2 <b>THE WITNESS:</b></p> <p>3 <b>A.</b> Yes.</p> <p>4 <b>BY MS. MCCARTHY:</b></p> <p>5 <b>Q.</b> Okay. So this talks about -- it's</p> <p>6 referring to a responsibility diagram which</p> <p>7 references 11 offices involved in the -- I believe</p> <p>8 it says "the mini world of the dividend tax</p> <p>9 administration"?</p> <p>10 <b>A.</b> Yes. Yes.</p> <p>11 <b>Q.</b> And there are several activities</p> <p>12 that do not agree on where to replace -- where to</p> <p>13 place responsibility. What is this about?</p> <p>14 <b>A.</b> This is about that the dividend tax</p> <p>15 was the one and sole group in tax having this</p> <p>16 responsibility --</p> <p>17 (Court reporter clarification.)</p> <p>18 <b>THE WITNESS:</b> Sole.</p> <p>19 <b>A.</b> The only group that had this tax</p> <p>20 responsibility, and we were involved actually in</p> <p>21 11 different other offices in the headquarter.</p> <p>22 And if you have 11 fathers, you</p> <p>23 don't have any father. So there was no one having</p> <p>24 the responsibility of the things happening in</p> <p>25 dividend tax. And that was what we were trying to</p>



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<p>1 authorities were merged with tax state. So they 2 all came to be with us. 3 <b>Q.</b> The local authorities were 4 merged -- 5 <b>A.</b> We had two levels, and they were 6 all merged (indicating) so we were one level now. 7 <b>Q.</b> Okay. 8 <b>A.</b> Yes. 9 <b>Q.</b> So when you say "local," you mean 10 the regional -- 11 <b>A.</b> The communities. 12 <b>Q.</b> Okay. 13 THE INTERPRETER: Municipalities. 14 THE WITNESS: Municipalities, 15 sorry. 16 MS. MCCARTHY: Municipalities? 17 THE INTERPRETER: Municipalities. 18 Denmark is divided into municipalities. 19 BY MS. MCCARTHY: 20 <b>Q.</b> I don't really know much about -- 21 (Court reporter clarification.) 22 THE INTERPRETER: Denmark is 23 divided into municipalities. 24 BY MS. MCCARTHY: 25 <b>Q.</b> And each municipality then had</p>	<p>1 somebody dealing with -- with what, tax? 2 <b>A.</b> With tax. 3 <b>Q.</b> Just generally? 4 <b>A.</b> Yes. They received the tax 5 returns, they did the first surveys, they had 6 local knowledge and they were bailiffs and forced 7 payment, yeah. 8 <b>Q.</b> So they were their own little SKAT? 9 <b>A.</b> Yes. And we were next level. But 10 we said, no need of next level. One level. 11 <b>Q.</b> That was a centralization, then -- 12 <b>A.</b> Yes. 13 <b>Q.</b> -- of the tax reporting by everyone 14 in Denmark? 15 <b>A.</b> Yes. Yes. 16 <b>Q.</b> Okay. And that was November 1, 17 2005? 18 <b>A.</b> Yes. 19 <b>Q.</b> You remember? 20 <b>A.</b> Yes. And the audit was there. 21 <b>Q.</b> Okay. And what was -- what was at 22 issue in this particular audit? 23 <b>A.</b> Well, I had always considered audit 24 as my friends, because this is a director of TOLD 25 and SKAT.</p>
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<p>1 (Court reporter clarification.) 2 THE INTERPRETER: Customs and tax 3 in Danish in is T-O-L-D and SKAT. So that means 4 customs and tax. 5 THE WITNESS: 6 <b>A.</b> And he's the director. And I 7 always found it a beautiful opportunity to get my 8 message out. So I was the one smiling when I got 9 the audit coming. Others might have not smiled as 10 much. So I never credited. I felt it was an 11 opportunity to come with all my sorrows. 12 BY MS. MCCARTHY: 13 <b>Q.</b> And do you remember the particular 14 sorrow that you were raising during this audit? 15 <b>A.</b> I think it's -- 16 MR. WEINSTEIN: Objection to form. 17 THE WITNESS: 18 <b>A.</b> -- the same as ever. 19 BY MS. MCCARTHY: 20 <b>Q.</b> If you see number 11. 21 Does that address -- does that say: 22 Internal audit does not find it satisfactory that 23 in certain situations, it's possible for dividend 24 recipients to receive dividend tax even if the 25 company paying the dividend --</p>	<p>1 (Court reporter clarification.) 2 BY MS. MCCARTHY: 3 <b>Q.</b> -- "it's possible for dividend 4 recipients to receive dividend tax even if the 5 company paying the dividend has not paid the 6 withheld dividend tax to SKAT. According to the 7 dividend tax administration, a change in this 8 respect requires a change in legislation." And 9 then it has a parenthetical, "See the dividend tax 10 administration note of 16 March 2005." 11 So is this again the same issue 12 that you were raising previously? 13 <b>A.</b> Same. 14 <b>Q.</b> Okay. And was that something 15 that -- is this typical for you when there was a 16 problem that you identified that it was something 17 that you needed to repeat to several different 18 outlets? 19 MR. WEINSTEIN: Objection to form. 20 THE WITNESS: 21 <b>A.</b> I can make a note. I don't know 22 where it goes. But talking to internal audit, 23 that goes to the director, away. 24 BY MS. MCCARTHY: 25 <b>Q.</b> Okay. So that was good for you?</p>



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<p style="text-align: right;">Page 146</p> <p>1           A.     Yes.</p> <p>2           Q.     Do you know whether any actions</p> <p>3     were taken by SKAT in response to this audit?</p> <p>4           A.     Normally when there is such an</p> <p>5     audit report, we sit down and look at the</p> <p>6     recommendations, make a little task force, look</p> <p>7     into it, how can we improve, change whatever with</p> <p>8     more or less success. That's what normally</p> <p>9     happens.</p> <p>10          Q.     And this issue of dividend</p> <p>11     recipients being able to receive the dividend</p> <p>12     TaxBack --</p> <p>13          A.     Yes.</p> <p>14          Q.     -- before the company pays the tax</p> <p>15     in, that applied across every reclaim scheme,</p> <p>16     correct?</p> <p>17          A.     Yes.</p> <p>18          Q.     Okay. Are you familiar with a</p> <p>19     document -- I am going to butcher this -- called</p> <p>20     the "problem catalog"?</p> <p>21          A.     Yeah. I do remember it.</p> <p>22          Q.     And you wrote that, correct?</p> <p>23          A.     Yes.</p> <p>24          Q.     Did you did you have help writing</p> <p>25     that?</p>	<p style="text-align: right;">Page 147</p> <p>1           A.     Of course we were a group. Our</p> <p>2     group, we were all participating in the different</p> <p>3     areas of what they were experiencing in their work</p> <p>4     to get a nice catalog of the different</p> <p>5     difficulties.</p> <p>6           Q.     And why was that document written?</p> <p>7           A.     Because it would be easier maybe</p> <p>8     for people to understand. As I have told, we were</p> <p>9     the only office dealing with dividend tax.</p> <p>10           And dividend tax is not so easy.</p> <p>11     There is a company, there is a taxpayer, there is</p> <p>12     the recipient, there is the foreigner. There are</p> <p>13     so many different time limits and dates and things</p> <p>14     you should keep track of to have all in place.</p> <p>15           So a lot of people before I</p> <p>16     finished my speech, they had left.</p> <p>17           So in order to keep them, we made a</p> <p>18     catalog, and we tried to also put in some</p> <p>19     solutions so that they should not think of</p> <p>20     everything themselves, but we tried to guide them</p> <p>21     so it was easier to act.</p> <p>22          Q.     Can I just go back to something you</p> <p>23     just said, that before you finished your speech,</p> <p>24     people have left?</p> <p>25           What people? Are you talking about</p>
<p style="text-align: right;">Page 148</p> <p>1     meetings that you've attended?</p> <p>2           A.     Yes. I was just saying that people</p> <p>3     did not understand it and they got tired, not</p> <p>4     left. They mentally left. They didn't walk out.</p> <p>5           Q.     Okay. So you had a hard time</p> <p>6     getting the problems --</p> <p>7           A.     Yes, across.</p> <p>8           Q.     -- across to people?</p> <p>9           A.     Yes.</p> <p>10          Q.     Okay. And this was an effort to</p> <p>11     organize it in a way that was understandable?</p> <p>12          A.     Yes.</p> <p>13          Q.     Okay. And let's look at the</p> <p>14     document. It's 3052 in your binder.</p> <p>15           (Exhibit 3052 marked for</p> <p>16     identification.)</p> <p>17     BY MS. MCCARTHY:</p> <p>18          Q.     My first question for you,</p> <p>19     Ms. Romer, is if could you just look at this and</p> <p>20     tell me if this is the entirety of the document</p> <p>21     that you just prepared?</p> <p>22          A.     I think it's difficult to say</p> <p>23     because it was a never ending document. Things</p> <p>24     might arise and you--</p> <p>25           (Court reporter clarification.)</p>	<p style="text-align: right;">Page 149</p> <p>1           THE INTERPRETER: Things might</p> <p>2     arise.</p> <p>3     BY MS. MCCARTHY:</p> <p>4           Q.     If you could look at the table of</p> <p>5     contents which is at the beginning, you will see</p> <p>6     that it goes through number 6.4. Organization</p> <p>7     SKAT is the topic.</p> <p>8           A.     Mm-Hmm.</p> <p>9           Q.     And then it has got four bullet</p> <p>10     points. And if you go to the back of this</p> <p>11     document, you will see that it ends at subject</p> <p>12     number 3.3.</p> <p>13          A.     I am sorry. I didn't get that.</p> <p>14           (Interpreter Translating.)</p> <p>15           It goes further and we have added</p> <p>16     something, and maybe we didn't -- I have made so</p> <p>17     many of them, I don't know whether it's...</p> <p>18          Q.     So is it -- do you believe that</p> <p>19     there is a longer version of this document</p> <p>20     somewhere?</p> <p>21          A.     I don't know. Honestly, I don't</p> <p>22     know.</p> <p>23          Q.     So if you just look at back at the</p> <p>24     index, the -- there are three topics there which</p> <p>25     have specific subtopics. Do you think that -- do</p>

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<p>1 you recall whether these topics were written 2 about?</p> <p>3 A. Because they were the main issues 4 that we were dealing with?</p> <p>5 Q. Yes. For instance, reconciliation 6 in the dividend administration, number 5.</p> <p>7 A. Yes.</p> <p>8 Q. Do you recall writing about that in 9 the problem catalog?</p> <p>10 A. Yes.</p> <p>11 Q. Okay. Do you know where SKAT could 12 look within its systems to find the rest of this 13 document?</p> <p>14 A. I don't know. I don't know.</p> <p>15 Q. And you don't have any version of 16 this in your possession?</p> <p>17 A. I took nothing with me when I left.</p> <p>18 Q. So but as far as you know, it's 19 still sitting within SKAT's computer system, 20 right?</p> <p>21 A. Yes.</p> <p>22 MS. MCCARTHY: Okay.</p> <p>23 Mr. Weinstein, I am going to ask that SKAT do a 24 search for the entirety of the problem catalog.</p> <p>25 MR. WEINSTEIN: Yes. That request</p>	<p>1 has been made before. And as we responded, we did 2 a search and produced every version that is in the 3 system.</p> <p>4 MS. MCCARTHY: Well, I am renewing 5 my request.</p> <p>6 BY MS. MCCARTHY:</p> <p>7 Q. Okay. So over what period of time, 8 Ms. Romer, was this document drafted?</p> <p>9 A. As I see, it is the 6th, 10 November 6th. It had taken some time to come to 11 November 6th because we had to have all these 12 different areas put into it, and I don't recall.</p> <p>13 Q. Okay. Do you remember, did you 14 meet with the various people who contributed to 15 this, or did you speak on the phone? How did you 16 organize?</p> <p>17 A. Both ways, because some of the 18 things had to have changes of law, and then you 19 had to talk to the people in the department who 20 was -- were the lawmakers, and other things, you 21 had to go outside to the bank and to the VP.</p> <p>22 I mean, those were meetings where 23 we might be able to improve the systems. But also 24 that takes a lot of times.</p> <p>25 Q. Okay. So this took time?</p>
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<p>1 A. And then the VP, that is a private 2 organization, they have to have at least half a 3 year to implement changes in their systems. So...</p> <p>4 Q. Okay. Do you remember which 5 portions of this document you personally drafted?</p> <p>6 A. I can tell you I have been involved 7 in all the subjects here.</p> <p>8 Q. You have been involved in drafting 9 of them?</p> <p>10 A. Yes. Yes.</p> <p>11 Q. Okay. And if could look at the 12 very first page under "Problem." I believe that 13 this is describing the same problem we've been 14 discussing about the timing of the receipt, of the 15 reclaims versus the timing of the receipt of 16 information from the companies, correct?</p> <p>17 A. Yes.</p> <p>18 Q. And as you will see in the middle 19 of the bottom paragraph there, it says: "That 20 means that today the dividend tax administration 21 today is to a large extent administered blindly. 22 As the information on the actual distribution is 23 not known at the time, the administration conducts 24 its business operations. This is the case, for 25 example, with recovery of dividend tax under the</p>	<p>1 double-taxation agreements and with dividend tax 2 refunds, et cetera, just as a reconciliation of 3 the actual distributed amount with the 4 distributing company's declaration and tax return 5 is not possible until a much later point in time."</p> <p>6 Do you remember that issue?</p> <p>7 A. Yes.</p> <p>8 Q. Okay. And is it -- this is number 9 1.1 of the problem catalog?</p> <p>10 A. Yes.</p> <p>11 Q. Is this a very important issue?</p> <p>12 A. It is the most important issue 13 within the Danish administration of the companies 14 for the Danish taxation purposes that we should 15 have the -- and it is unnecessary that it was not 16 given on the same time.</p> <p>17 I have always said that paying out 18 dividend is the one thing to do. But 19 unfortunately, when we started with dividend tax 20 in Denmark, we put the dividend tax in so the 21 interest system that runs throughout the year, so 22 you can only put in a result at the end of the 23 year, and that is why we had to have the 24 declaration with the money that we want that once 25 and the information about the receiver of dividend</p>

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<p>1 after the 1st of January.</p> <p>2 Q. And that's what you wanted to</p> <p>3 change?</p> <p>4 A. That's what I wanted to change. I</p> <p>5 wanted to be at the same time.</p> <p>6 Q. And were you hearing from the banks</p> <p>7 that that was too difficult to do?</p> <p>8 A. Yes. They said they had to tally</p> <p>9 things. They had to see --</p> <p>10 (Court reporter clarification.)</p> <p>11 THE INTERPRETER: T-A-L-L-Y, tally.</p> <p>12 THE WITNESS:</p> <p>13 A. They said they had to secure that</p> <p>14 everything was all right.</p> <p>15 But they had already paid out the</p> <p>16 dividend. So to me, that was not clear talk.</p> <p>17 BY MS. MCCARTHY:</p> <p>18 Q. Okay. And ultimately, were you</p> <p>19 able to get that problem addressed?</p> <p>20 A. In '12.</p> <p>21 Q. 2012?</p> <p>22 A. Yes.</p> <p>23 Q. So it took six years -- more than</p> <p>24 six years, because you were raising this issue</p> <p>25 earlier, correct?</p>	<p>1 A. Yes.</p> <p>2 Q. Okay. What other problems were</p> <p>3 identified here related to the payment of dividend</p> <p>4 refunds? Is there a recognition that nominee</p> <p>5 accounts were a problem?</p> <p>6 A. Yes, as the omnibus.</p> <p>7 Q. Can you explain that, why that was</p> <p>8 a problem?</p> <p>9 A. Because it was an anonymous place</p> <p>10 where a lot of shareholders were together, but</p> <p>11 just under the name of the bank that they were</p> <p>12 actually having their depot, what you called it?</p> <p>13 THE INTERPRETER: Custody account.</p> <p>14 THE WITNESS: Custody, custody</p> <p>15 account.</p> <p>16 A. So it was -- it was all the time.</p> <p>17 And I mean, that is also what the OECD was working</p> <p>18 on, that it should be revealed in a way or other.</p> <p>19 BY MS. MCCARTHY:</p> <p>20 Q. If you go to point 1.6, page 2 of</p> <p>21 3, which I believe is on page 16 of the document.</p> <p>22 (Turning).</p> <p>23 This talks about trading and</p> <p>24 depositing securities nominally --</p> <p>25 A. I'm a little lost.</p>
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<p>1 (Interpreter assisting.)</p> <p>2 Q. It's subject number 1.6. (Pause.)</p> <p>3 What's the Bates number? Okay.</p> <p>4 It's the Bates should be ending</p> <p>5 in -- the bottom right-hand corner. The number</p> <p>6 should be 17932.</p> <p>7 A. Yes.</p> <p>8 Q. Okay. In the middle of that page,</p> <p>9 could you just read that to yourself, starting</p> <p>10 with: "It is completely legal to trade and</p> <p>11 deposit" --</p> <p>12 A. Yes.</p> <p>13 Q. Does that seem to you to be a</p> <p>14 description of the Paris Opera Trading situation?</p> <p>15 A. No.</p> <p>16 Q. What is that?</p> <p>17 A. I'm not sure that they were</p> <p>18 trading.</p> <p>19 Q. You're not sure that Paris Opera</p> <p>20 was trading?</p> <p>21 A. No.</p> <p>22 Q. Okay. So you just think that</p> <p>23 was --</p> <p>24 A. I don't know.</p> <p>25 Q. You think that was just outright</p>	<p>1 fraud?</p> <p>2 A. Yes.</p> <p>3 Q. Okay. So what is -- what is being</p> <p>4 addressed here, then, where it is said: "It is</p> <p>5 completely legal to trade and deposit securities</p> <p>6 nominated through both Danish and foreign</p> <p>7 banks/stock brokers including setting up offshore</p> <p>8 companies as long as the activities are declared."</p> <p>9 A. But the threat is that it is not</p> <p>10 declared and it is difficult to find it.</p> <p>11 Q. And it's not declared where?</p> <p>12 A. Yeah. The threat is that this</p> <p>13 is -- they forget to self-declare in their</p> <p>14 homeland.</p> <p>15 Q. Okay. So this is for a nonfiler in</p> <p>16 the home country?</p> <p>17 A. Yes.</p> <p>18 Q. And then it goes on -- yeah. Go</p> <p>19 ahead.</p> <p>20 A. No.</p> <p>21 Q. It goes on to say: "This</p> <p>22 nontransparency together with the Danish rules for</p> <p>23 share loans can be an obvious tool that, among</p> <p>24 other things, can be used, for example, to channel</p> <p>25 a dividend to a country" --</p>

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<p>1 A. Yeah.</p> <p>2 Q. -- "where Denmark has lower or no</p> <p>3 right to dividend tax under the double-taxation</p> <p>4 agreement."</p> <p>5 A. Yes.</p> <p>6 Q. What is meant by that?</p> <p>7 A. That is meant that it should go to</p> <p>8 France, for instance. Or I think in Malaysia, we</p> <p>9 also have a zero -- it is dangerous to merge</p> <p>10 taxation and aid to developing countries. I don't</p> <p>11 know.</p> <p>12 Q. Okay. The proposal below says:</p> <p>13 "Politicians need to be made aware that there</p> <p>14 actually is a problem that is a threat to the tax</p> <p>15 system."</p> <p>16 Do you know whether this issue was</p> <p>17 brought to the attention of politicians?</p> <p>18 A. No.</p> <p>19 Q. You don't know?</p> <p>20 A. No.</p> <p>21 Q. But that was your goal?</p> <p>22 A. That was our goal, yes.</p> <p>23 Q. Okay. And is it fair to say that</p> <p>24 this problem catalog identifies other threats to</p> <p>25 the tax system?</p>	<p>1 A. Yes.</p> <p>2 Q. Yes?</p> <p>3 The next category is -- 3.2</p> <p>4 discusses nominee, joint ownership, and ownership</p> <p>5 status code in the custodian registration.</p> <p>6 And is it -- is it -- withdrawn.</p> <p>7 The -- under the problem, number</p> <p>8 one, again, there's a nontransparency issue,</p> <p>9 right?</p> <p>10 A. Yes.</p> <p>11 Q. That together with the Danish rules</p> <p>12 for share loans, again, you say: "Can be an</p> <p>13 obvious tool that, among other things, can be used</p> <p>14 to channel a dividend to a country where Denmark</p> <p>15 has lower or no right to dividend tax under the</p> <p>16 double-taxation agreement."</p> <p>17 And if you see down under</p> <p>18 "applicable rules," what is described is a foreign</p> <p>19 shareholder making a reclaim application using</p> <p>20 that form that we reviewed before, correct?</p> <p>21 A. Mm-hmm, yes.</p> <p>22 Q. And then the proposal on the next</p> <p>23 page under number 3, is specifically concerning</p> <p>24 dividend tax: "Stricter documentation</p> <p>25 requirements should be established for the</p>
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<p>1 shareholding in the event of reimbursement/refund</p> <p>2 of Danish dividend tax, so the dividend tax</p> <p>3 administration can be sure of the ownership of the</p> <p>4 actual distribution."</p> <p>5 Correct?</p> <p>6 A. Mm-Hmm.</p> <p>7 Q. And again, that has to do with the</p> <p>8 form we discussed?</p> <p>9 A. Yes.</p> <p>10 Q. Okay. Since some of the pages are</p> <p>11 missing, do you remember any of the other</p> <p>12 proposals that were raised in this problem catalog</p> <p>13 related to refunds?</p> <p>14 (Court reporter clarification.)</p> <p>15 THE WITNESS:</p> <p>16 A. I don't.</p> <p>17 BY MS. MCCARTHY:</p> <p>18 Q. You don't remember?</p> <p>19 A. Right.</p> <p>20 MS. MCCARTHY: I'm being told that</p> <p>21 we've been going for an hour. Would you like a</p> <p>22 break?</p> <p>23 THE WITNESS: Yes, please.</p> <p>24 MS. MCCARTHY: Okay. Jose, we are</p> <p>25 going off the record?</p>	<p>1 THE VIDEOGRAPHER: Stand by. The</p> <p>2 time is 8:26 a.m. New York time, and we are going</p> <p>3 off the record.</p> <p>4 (Short recess taken.)</p> <p>5 THE VIDEOGRAPHER: The time is 8:47</p> <p>6 a.m. New York time, and we are back on record.</p> <p>7 BY MS. MCCARTHY:</p> <p>8 Q. Ms. Romer, when we broke, we were</p> <p>9 talking about the problem catalog. Did anything</p> <p>10 change as far as SKAT policy as a result of the</p> <p>11 problem catalog?</p> <p>12 A. A lot of things have changed while</p> <p>13 I was there, not a lot, but a lot of things have</p> <p>14 changed, bigger or minor things.</p> <p>15 So I must say that it had had some</p> <p>16 impact.</p> <p>17 Q. Okay.</p> <p>18 A. Whether it would have happened</p> <p>19 anyway, I don't know.</p> <p>20 Q. And when you say that was not</p> <p>21 enough, what do you mean? What did not change?</p> <p>22 A. That is, for instance, the Trace</p> <p>23 project that didn't --</p> <p>24 (Court reporter clarification.)</p> <p>25 THE WITNESS: T-R-A-C-E.</p>

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<p>1 BY MS. MCCARTHY:</p> <p>2 Q. The OECD project?</p> <p>3 A. Yeah, the OECD project.</p> <p>4 That everybody was dealing their</p> <p>5 head on the solution there, and then in '16 they</p> <p>6 gave up.</p> <p>7 Q. Mm-hmm.</p> <p>8 A. So that was really sad.</p> <p>9 Q. Did anything change in terms of</p> <p>10 foreign shareholders and the ability to confirm,</p> <p>11 for instance, beneficial ownership?</p> <p>12 A. No, because that was the Trace</p> <p>13 project that should give that possibility. We</p> <p>14 only had what we had before, the beneficial owner</p> <p>15 himself, herself, and the bank statement.</p> <p>16 Q. And when you -- you have said a</p> <p>17 couple of times now that you believe that the</p> <p>18 Paris Opera Trading situation was fraud, right?</p> <p>19 A. Yes.</p> <p>20 Q. And you informed people within SKAT</p> <p>21 of that suspicion, right?</p> <p>22 A. Yes.</p> <p>23 Q. And yet, nothing was done?</p> <p>24 A. Well, I wouldn't say nothing was</p> <p>25 done, because the banks were sending declarations,</p>	<p>1 swearing that everything was okay and they were</p> <p>2 the beneficial owners of everything.</p> <p>3 And with that declaration</p> <p>4 specifically to us, what could we do?</p> <p>5 Q. Okay. Did you -- did you believe,</p> <p>6 however, that more investigation could occur?</p> <p>7 A. I would have liked that it was</p> <p>8 possible. But as I said, the claim to be the</p> <p>9 owners of more than half of all the free shares,</p> <p>10 and that was really a lot, and it sounded unlikely</p> <p>11 in my ears. But maybe I'm too suspicious.</p> <p>12 Q. Too suspicious?</p> <p>13 A. Yes. It comes with the job. So...</p> <p>14 Q. Okay. Did you, after preparing the</p> <p>15 problem catalog, continue to push for changes</p> <p>16 within SKAT?</p> <p>17 A. Yes.</p> <p>18 Q. Who is Carl Helman?</p> <p>19 A. He was in the department. He</p> <p>20 was -- I think he was not a member of the Trace</p> <p>21 group, but I had long conversations with him to</p> <p>22 make them aware of what I think they should be</p> <p>23 aware of with the Trace project and where they</p> <p>24 were going to set out the norms and standards.</p> <p>25 Q. And again, that project would have</p>
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<p>1 addressed issues related to the foreign</p> <p>2 shareholders, right?</p> <p>3 A. Yes.</p> <p>4 Q. Okay. And what was Mr. Helman's</p> <p>5 reaction or response to your concerns?</p> <p>6 A. Fortunately, he was following me,</p> <p>7 and also saying that it sounded -- sounded right.</p> <p>8 But of course, we were not the only</p> <p>9 ones.</p> <p>10 Q. Meaning there were other countries</p> <p>11 involved that needed to cooperate?</p> <p>12 A. Oh, yes, there were other</p> <p>13 countries, yes.</p> <p>14 Q. Okay. So in your conversations</p> <p>15 with Mr. Helman, you believe that the Trace</p> <p>16 project had the support of the Danish government,</p> <p>17 right?</p> <p>18 A. He was in the Danish government, so</p> <p>19 yeah.</p> <p>20 Q. Okay. Are you familiar with</p> <p>21 something called "Project Lean," L-E-A-N?</p> <p>22 A. Yes.</p> <p>23 Q. And what was Project Lean?</p> <p>24 A. Project Lean is coming from Japan</p> <p>25 from the Toyota car factories, how to optimize the</p>	<p>1 process to avoid waste time. And in my world, it</p> <p>2 is difficult to compare making a car and dealing</p> <p>3 with dividend tax. So I think for us, because we</p> <p>4 were rather streamlined already, for us the</p> <p>5 outcome of Lean was not very much, but we all in</p> <p>6 tax had to go through it, all units.</p> <p>7 Q. And when you say you had to go</p> <p>8 through it, was there a particular efficiency rate</p> <p>9 that you were supposed to try to achieve?</p> <p>10 A. No. We were going through the</p> <p>11 production, the way coming in, the declaration and</p> <p>12 how it ended here and there and the different</p> <p>13 processes and how could we cut. And if you put</p> <p>14 your paper in this shelf, it will be easier, you</p> <p>15 can gain a second, you know.</p> <p>16 Q. Did somebody come in, a third party</p> <p>17 come in --</p> <p>18 A. Yes.</p> <p>19 Q. -- and give advice?</p> <p>20 A. Yes.</p> <p>21 Q. Do you know who that was?</p> <p>22 A. Yeah. I don't recall. She was</p> <p>23 from Horsens.</p> <p>24 THE INTERPRETER: She was from the</p> <p>25 city of Horsens, H-O-R-S-E-N-S.</p>

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<p style="text-align: right;">Page 166</p> <p>1 THE WITNESS:</p> <p>2 A. That's where our director and our</p> <p>3 main seat was for the accounting.</p> <p>4 BY MS. MCCARTHY:</p> <p>5 Q. Was there a priority within the</p> <p>6 Danish government at the time that Project Lean</p> <p>7 was in effect to reduce the bureaucratic burden on</p> <p>8 taxpayers?</p> <p>9 MR. WEINSTEIN: Objection to form.</p> <p>10 THE WITNESS:</p> <p>11 A. Yeah. I mean, the meaning was of</p> <p>12 course that we should try to save some time in</p> <p>13 what we were doing. And as I am sure, we spent</p> <p>14 many days doing it, and the outcome was not big.</p> <p>15 BY MS. MCCARTHY:</p> <p>16 Q. Are you familiar with the burden</p> <p>17 barometer?</p> <p>18 A. No.</p> <p>19 Q. Was there a priority within the</p> <p>20 Danish government to provide service to --</p> <p>21 withdrawn.</p> <p>22 -- to attract foreign investment in</p> <p>23 Danish companies and to reduce the burden to</p> <p>24 foreign investors?</p> <p>25 MR. WEINSTEIN: Objection to form.</p>	<p style="text-align: right;">Page 167</p> <p>1 BY MS. MCCARTHY:</p> <p>2 Q. Was there -- I am going to do it</p> <p>3 again. Was there priority within the Danish</p> <p>4 government to attract foreign investment in Danish</p> <p>5 businesses?</p> <p>6 MR. WEINSTEIN: Objection.</p> <p>7 THE WITNESS:</p> <p>8 A. I don't know.</p> <p>9 BY MS. MCCARTHY:</p> <p>10 Q. Okay. Was there a priority in the</p> <p>11 Danish government to reduce the burden for</p> <p>12 taxpayers?</p> <p>13 MR. WEINSTEIN: Objection.</p> <p>14 THE WITNESS:</p> <p>15 A. By making this new tax return</p> <p>16 system, they have actually made it much easier to</p> <p>17 be a taxpayer. So there has been a name for the</p> <p>18 tax ministry to do something good for the</p> <p>19 taxpayers, and they succeeded.</p> <p>20 BY MS. MCCARTHY:</p> <p>21 Q. Okay. Did you feel that within</p> <p>22 SKAT, there was a priority for service versus</p> <p>23 control?</p> <p>24 A. I think we had to have both. But</p> <p>25 as I have already said, we were a service-minded</p>
<p style="text-align: right;">Page 168</p> <p>1 organization, and we had a lot of public access to</p> <p>2 SKAT all the time, very easy access.</p> <p>3 (Court reporter clarification.)</p> <p>4 THE INTERPRETER: Very easy access.</p> <p>5 BY MS. MCCARTHY:</p> <p>6 Q. Did you consider all of the</p> <p>7 shareholders in Danish companies to be taxpayers?</p> <p>8 A. At the end, there might be</p> <p>9 taxpayers all, but some of them didn't pay</p> <p>10 dividend tax, for instance, if it was a pension</p> <p>11 scheme. So you only got paid when you got out the</p> <p>12 money.</p> <p>13 Q. And they would be paid with</p> <p>14 withholding tax money, correct?</p> <p>15 MR. WEINSTEIN: Objection.</p> <p>16 BY MS. MCCARTHY:</p> <p>17 Q. If the pension plan put in a claim</p> <p>18 of refund, what they were getting paid back to</p> <p>19 them was the withholding tax paid into SKAT by the</p> <p>20 corporation, correct?</p> <p>21 A. Not the corporation. It would be</p> <p>22 through the banks. If you had the pension scheme,</p> <p>23 it's very often in the bank.</p> <p>24 And when the bank have to pay out</p> <p>25 your money, we withhold.</p>	<p style="text-align: right;">Page 169</p> <p>1 Q. What's the source of the</p> <p>2 withholding tax?</p> <p>3 A. The source is the shares and the</p> <p>4 dividend that you have accumulated while you were</p> <p>5 working and you get out when you are retired.</p> <p>6 Q. And the dividend is paid by the</p> <p>7 corporation, correct?</p> <p>8 A. Always with help by the</p> <p>9 corporation.</p> <p>10 Q. Okay. But when a claim is made for</p> <p>11 a refund, it's for a refund of withholding tax,</p> <p>12 correct? That was --</p> <p>13 A. Of the already withheld tax.</p> <p>14 Q. Correct.</p> <p>15 (Court reporter clarification.)</p> <p>16 THE INTERPRETER: Of the already</p> <p>17 withheld tax.</p> <p>18 THE WITNESS: Sorry, I am turning</p> <p>19 my face that way and that is why it so difficult</p> <p>20 for you. Sorry. Speak up, I'll do that.</p> <p>21 BY MS. MCCARTHY:</p> <p>22 Q. I am going to just talk a little</p> <p>23 bit more about control, and if I could get you to</p> <p>24 turn to -- we are already there? I am sorry. One</p> <p>25 moment, please.</p>

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<p>1 (Pause).</p> <p>2 I am sorry. Just give me a moment</p> <p>3 to collect my thoughts here. If you could turn to</p> <p>4 Exhibit 3178, please.</p> <p>5 (Exhibit 3178 marked for</p> <p>6 identification.)</p> <p>7 BY MS. MCCARTHY:</p> <p>8 Q. Do you recognize this document,</p> <p>9 Ms. Romer?</p> <p>10 A. I recognize the content.</p> <p>11 Q. It appears to be a document that</p> <p>12 was drafted by you in 2008 -- November 2008,</p> <p>13 right?</p> <p>14 A. Yes.</p> <p>15 Q. Or is it August 2008?</p> <p>16 A. It is August.</p> <p>17 Q. August 11, 2008. Sorry. I am</p> <p>18 reading as if it's an American date. And this has</p> <p>19 to do with what? Is it lack of reconciliation --</p> <p>20 A. Yes.</p> <p>21 Q. -- between --</p> <p>22 A. Between --</p> <p>23 Q. Go ahead.</p> <p>24 A. -- the declaration from the company</p> <p>25 and the recipients of the dividend.</p>	<p>1 Q. Okay. And those would be the</p> <p>2 beneficiaries, right, the beneficial owners?</p> <p>3 A. Yes. Yes.</p> <p>4 Q. And is it correct that you've</p> <p>5 identified an issue where foreign shareholders are</p> <p>6 not part of the known system for reporting? In</p> <p>7 this document, if you look at under "Current</p> <p>8 Administration" and read the last sentence.</p> <p>9 Is that a fair description?</p> <p>10 A. It is not part of any system.</p> <p>11 Q. For the record of foreign</p> <p>12 shareholding?</p> <p>13 A. As usual, we don't know.</p> <p>14 Q. Okay. And so that was a problem,</p> <p>15 correct?</p> <p>16 A. That was a problem.</p> <p>17 Q. Okay. And so do you make any</p> <p>18 recommendation in this document?</p> <p>19 A. No, because this was not about the</p> <p>20 foreign shareholders. This was about the Danish</p> <p>21 system.</p> <p>22 Q. Can you explain then why there is a</p> <p>23 reference to foreign shareholders?</p> <p>24 A. Because even though we make this</p> <p>25 new system with the two different informations</p>
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<p>1 together, we would not have the foreign</p> <p>2 shareholders.</p> <p>3 Q. So the proposed change --</p> <p>4 A. Would not solve this problem.</p> <p>5 Q. So that identifies then these</p> <p>6 foreign shareholders as being outside of this</p> <p>7 proposed solution?</p> <p>8 A. It was not a solution for them. It</p> <p>9 was for the whole system.</p> <p>10 Q. Did you ever come up with a</p> <p>11 solution that you proposed to address the lack of</p> <p>12 information for foreign shareholders?</p> <p>13 A. Only through the net taxation --</p> <p>14 Q. So again we are back to --</p> <p>15 A. -- and Trace.</p> <p>16 Q. -- OECD?</p> <p>17 A. Yes.</p> <p>18 Q. Okay. If we could go to Exhibit --</p> <p>19 I am sorry. I don't have an exhibit.</p> <p>20 Do you remember writing other memos</p> <p>21 in 2009 about issues related to foreign</p> <p>22 shareholders?</p> <p>23 A. I don't recall.</p> <p>24 Q. There are some references that if</p> <p>25 you have read the Bech-Bruun report, you may have</p>	<p>1 noticed some references --</p> <p>2 (Court reporter clarification.)</p> <p>3 BY MS. MCCARTHY:</p> <p>4 Q. -- Bech-Bruun report, you may have</p> <p>5 noticed some references to you?</p> <p>6 A. That was also some years ago.</p> <p>7 MR. WEINSTEIN: Objection to form.</p> <p>8 BY MS. MCCARTHY:</p> <p>9 Q. Right. Okay.</p> <p>10 Have you read the Bech-Bruun</p> <p>11 report?</p> <p>12 A. Not the full content.</p> <p>13 Q. It's very large, right?</p> <p>14 A. Yes. Only about myself.</p> <p>15 Q. Only about yourself? There are a</p> <p>16 fair number of references, correct?</p> <p>17 A. Yes.</p> <p>18 Q. And the work that you did while you</p> <p>19 were at SKAT is described in detail, correct?</p> <p>20 A. Yes.</p> <p>21 Q. And one of the issues that the</p> <p>22 Bech-Bruun report addresses is the issue of</p> <p>23 foreign shareholders and the lack of transparency</p> <p>24 into share ownership, correct?</p> <p>25 A. Yes.</p>



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<p>1 Q. Okay. And this was an issue that</p> <p>2 you were raising within SKAT through the years,</p> <p>3 correct?</p> <p>4 A. Yes.</p> <p>5 Q. Okay. Do you recall, Ms. Romer,</p> <p>6 that in 2010, that there was another audit report</p> <p>7 issued?</p> <p>8 A. Yes.</p> <p>9 Q. Would you like to talk about that</p> <p>10 with me?</p> <p>11 A. Yes. I have to. I'm sorry.</p> <p>12 Q. If we can go to —</p> <p>13 MR. WEINSTEIN: She just gave you</p> <p>14 the choice, right? You can let her know.</p> <p>15 BY MS. MCCARTHY:</p> <p>16 Q. Where is it? I'll find it in a</p> <p>17 moment.</p> <p>18 A. It was at the beginning.</p> <p>19 Q. It was at the beginning, correct.</p> <p>20 MS. MCCARTHY: It was Exhibit 3003.</p> <p>21 (Exhibit 3003 marked for</p> <p>22 identification.)</p> <p>23 BY MS. MCCARTHY:</p> <p>24 Q. All right. Do you have Exhibit</p> <p>25 3003 in front of you?</p>	<p>1 A. Yes.</p> <p>2 Q. Okay. First of all, this is dated</p> <p>3 May 10th, 2010, right?</p> <p>4 A. Mm-Hmm.</p> <p>5 Q. Yes?</p> <p>6 A. Yes.</p> <p>7 Q. And the person on the top is Peter</p> <p>8 Loft.</p> <p>9 A. Yes.</p> <p>10 Q. Who is Peter Loft?</p> <p>11 A. He was the head of department. He</p> <p>12 was not the minister but he was the minister's</p> <p>13 right hand. He was not the director, but that was</p> <p>14 per SKAT. So this is the more legal department</p> <p>15 for the minister.</p> <p>16 Q. Okay. And did you have direct</p> <p>17 communications with Peter Loft?</p> <p>18 A. Not really. Not really. Far away.</p> <p>19 Q. Who — who would have been your</p> <p>20 conduit to Peter Loft?</p> <p>21 A. But that is the way through my</p> <p>22 director, and then he should go maybe to the</p> <p>23 director of tax, who would go to the head of</p> <p>24 department. And maybe he would go to the</p> <p>25 minister.</p>
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<p>1 Q. Okay. So it's several layers</p> <p>2 below —</p> <p>3 A. Yes.</p> <p>4 Q. You're several layers below Peter</p> <p>5 Loft?</p> <p>6 A. Oh, yes.</p> <p>7 Q. All right. Do you know how this</p> <p>8 2010 audit came about?</p> <p>9 A. Yes. I don't know really, only</p> <p>10 from —</p> <p>11 Q. From your memory?</p> <p>12 A. From what I might have heard.</p> <p>13 Q. Okay.</p> <p>14 A. It is — I was not told, other than</p> <p>15 this is not a normal audit of dividend tax. It is</p> <p>16 only an investigation about foreigners and</p> <p>17 dividend tax. So it's a specific. And I think it</p> <p>18 came about through some withdrawals from the</p> <p>19 systems where they ended up with some figures</p> <p>20 saying that we had refunded more than we had got</p> <p>21 in.</p> <p>22 I had never seen it. I followed</p> <p>23 the figures every month. So I wasn't that worried</p> <p>24 I couldn't understand it.</p> <p>25 But of course, if you are presented</p>	<p>1 that, you say now we have to look into this, so we</p> <p>2 did.</p> <p>3 Q. Okay. If I can ask you to just go</p> <p>4 to a different document if a moment. We'll hold</p> <p>5 that thought. Exhibit 3170.</p> <p>6 (Exhibit 3170 marked for</p> <p>7 identification.)</p> <p>8 BY MS. MCCARTHY:</p> <p>9 Q. Are you familiar with that</p> <p>10 document?</p> <p>11 A. Yes. It's a high shot document.</p> <p>12 Q. It's a what kind of document?</p> <p>13 A. High shot. It's from people above</p> <p>14 my level. (Indicating)</p> <p>15 Q. Okay.</p> <p>16 A. And there's two directors from</p> <p>17 account that are notified that this investigation</p> <p>18 is going to take place.</p> <p>19 Q. Okay. So the two directors in</p> <p>20 accounting are Jens Sørensen and Lars Nørdring?</p> <p>21 A. Yes.</p> <p>22 Q. Okay. And so they were — they</p> <p>23 were above you?</p> <p>24 A. Oh, yes.</p> <p>25 Q. Okay. And this memo is from Bo</p>



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<p>1 Daugaard?</p> <p>2 A. Bo Daugaard, internal audit.</p> <p>3 Q. Okay. And it -- it appears that</p> <p>4 this audit is being done at the request of Peter</p> <p>5 Loft.</p> <p>6 A. Because Peter Loft is the one who</p> <p>7 had received the information, and therefore, he</p> <p>8 said we had to investigate this.</p> <p>9 Q. Okay. And again, the information</p> <p>10 was that more -- can you tell us again what the</p> <p>11 investigation was?</p> <p>12 A. I think that the issue was that</p> <p>13 more money was refunded than received as dividend</p> <p>14 tax, which, of course, should not happen.</p> <p>15 Q. And specifically, the first</p> <p>16 sentence says that the audit is being -- is</p> <p>17 conducting an investigation into the proceeds of</p> <p>18 the withholding tax on foreigners/dividend tax,</p> <p>19 right?</p> <p>20 A. Yes.</p> <p>21 Q. Okay. And then it says that</p> <p>22 there's a meeting -- that needs a meeting to hear</p> <p>23 about the treatment of dividends according to</p> <p>24 section 16(A) of the Danish Equation Act, and the</p> <p>25 recovery of withholding tax?</p>	<p>1 (Court reporter clarification.)</p> <p>2 BY MS. MCCARTHY:</p> <p>3 Q. Did you attend a meeting?</p> <p>4 A. Yes.</p> <p>5 Q. With audit?</p> <p>6 A. Yes.</p> <p>7 Q. Okay. Do you remember when that</p> <p>8 meeting was?</p> <p>9 A. I would say it was beginning of</p> <p>10 March 2010.</p> <p>11 Q. Okay.</p> <p>12 A. We might have had some meetings</p> <p>13 before that also. But I especially recall</p> <p>14 beginning of March 2010.</p> <p>15 Q. Did you prepare anything in advance</p> <p>16 of that meeting to describe an overview of certain</p> <p>17 practices within Accounting II?</p> <p>18 A. I have already written so much</p> <p>19 about so many things that I think I could take out</p> <p>20 anything they wanted and show them.</p> <p>21 So I don't recall specifically</p> <p>22 having prepared something for them.</p> <p>23 Q. Okay. You'll notice that in the</p> <p>24 document we've been looking at, 3170, it says:</p> <p>25 "The purpose of the meeting is, among other</p>
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<p>1 things, to create an overview practicing -- of the</p> <p>2 practices of what information on dividends is</p> <p>3 reported" -- right -- "to SKAT, the IT support,</p> <p>4 the division of responsibility" --</p> <p>5 A. Yes.</p> <p>6 Q. -- "extraction and statistics from</p> <p>7 the systems and IT support."</p> <p>8 A. Yes.</p> <p>9 Q. Okay. So -- and I read those</p> <p>10 correctly, right?</p> <p>11 A. Yes.</p> <p>12 Q. You agree, right?</p> <p>13 A. Yes.</p> <p>14 Q. If you can go to Exhibit 3171.</p> <p>15 (Exhibit 3171 marked for</p> <p>16 identification.)</p> <p>17 THE WITNESS:</p> <p>18 A. So we had meetings before, as I</p> <p>19 recall.</p> <p>20 BY MS. MCCARTHY:</p> <p>21 Q. Do you recognize this document?</p> <p>22 A. Yes. Yes, I don't recognize it --</p> <p>23 (Court reporter clarification.)</p> <p>24 THE WITNESS:</p> <p>25 A. But I have made so many, it's so</p>	<p>1 difficult too.</p> <p>2 BY MS. MCCARTHY:</p> <p>3 Q. Well, you'll see, if you turn to</p> <p>4 the back page, that you are the author.</p> <p>5 A. I saw it already.</p> <p>6 Q. And if you can tell us the date of</p> <p>7 your report? Is it December 2nd, 2009?</p> <p>8 A. Yes.</p> <p>9 Q. At the very end?</p> <p>10 A. Yeah, yeah.</p> <p>11 Q. Okay. And what are you addressing</p> <p>12 in this memo?</p> <p>13 A. I'm trying to answer the questions</p> <p>14 that was sent to the -- to the directors.</p> <p>15 Q. That we just went over?</p> <p>16 A. Yes.</p> <p>17 Q. Okay. And so if we could look at</p> <p>18 the overview of the dividend tax administration on</p> <p>19 the second page.</p> <p>20 A. Yes.</p> <p>21 Q. Which deals with the information</p> <p>22 reported to SKAT about dividends.</p> <p>23 A. Mm-Hmm.</p> <p>24 Q. And again, it references the form</p> <p>25 that we've reviewed, right, dividend declaration?</p>

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<p>1 Q. And you will see again under</p> <p>2 "objectives, background and presentation" that</p> <p>3 this has been requested by Peter Loft to look at</p> <p>4 the problem from the proceeds from the withholding</p> <p>5 tax on foreigners, right?</p> <p>6 A. Yes.</p> <p>7 Q. Okay. So that doesn't talk about</p> <p>8 Danish shareholders, it's talking about</p> <p>9 foreigners, right?</p> <p>10 A. The whole thing, yes.</p> <p>11 Q. Okay. So this issue on the audit</p> <p>12 was focused on foreigner shareholders, correct?</p> <p>13 MR. WEINSTEIN: Objection.</p> <p>14 THE WITNESS:</p> <p>15 A. Yes.</p> <p>16 BY MS. MCCARTHY:</p> <p>17 Q. Do you disagree with my description</p> <p>18 of this audit as being focused on foreign</p> <p>19 shareholders?</p> <p>20 A. No.</p> <p>21 Q. Okay. And one of the issues</p> <p>22 identified down at the bottom of the page under</p> <p>23 number 2 is that "Accounting II has been</p> <p>24 frustrated for several years by the fact that a</p> <p>25 great deal of money is paid out in connection with</p>	<p>1 dividends without there being a real possibility</p> <p>2 of checking that only the correct amounts are paid</p> <p>3 out." And it says: "It is regnskab 2's</p> <p>4 assessment --</p> <p>5 (Court reporter clarification.)</p> <p>6 THE INTERPRETER: Regnskab,</p> <p>7 Accounts II.</p> <p>8 BY MS. MCCARTHY:</p> <p>9 Q. -- "assessments that there is a</p> <p>10 huge gap in dividend taxation."</p> <p>11 Do you see that?</p> <p>12 A. I'm not quite --</p> <p>13 Q. It's under number 2, "Review and</p> <p>14 issues of end processes."</p> <p>15 A. Okay. I am here.</p> <p>16 Q. All right. Is that an accurate</p> <p>17 description of the issue?</p> <p>18 A. Yes.</p> <p>19 Q. Okay. And can you explain the</p> <p>20 frustration?</p> <p>21 A. But the frustration is still the</p> <p>22 frustration that even though we have quite good</p> <p>23 information, both from the beneficial owner and</p> <p>24 from the bank with the dividend invoice, we have</p> <p>25 no way of seeing elsewhere what is going on.</p>
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<p>1 I mean --</p> <p>2 Q. What do you mean by "no way of</p> <p>3 seeing elsewhere"?</p> <p>4 A. Because they are not shown in all</p> <p>5 the reports and all the systems, the nominee and</p> <p>6 the -- how are they called -- omnibus depots, the</p> <p>7 shareholders there are unknown to us.</p> <p>8 Q. Okay. And that was still in 2009?</p> <p>9 A. Still in 2009.</p> <p>10 Q. Okay. And Accounting II did not</p> <p>11 have the tools to investigate any further than --</p> <p>12 A. We were a bookkeeping unit, no</p> <p>13 means of investigation skills, no nothing. So we</p> <p>14 were not able to do all that.</p> <p>15 Q. And do you recall sharing that</p> <p>16 information with the audit group when you met with</p> <p>17 them?</p> <p>18 A. I am sure I told them.</p> <p>19 Q. Okay. In fact, in this report of</p> <p>20 this meeting, on -- under the heading of "Refund,"</p> <p>21 maybe if you turn the page, the second page, and</p> <p>22 then it says -- there are three bullet points</p> <p>23 under "Refund," and then underneath it says: "The</p> <p>24 task of Accounting II is purely administrative in</p> <p>25 nature."</p>	<p>1 A. Yes.</p> <p>2 Q. Right?</p> <p>3 A. And that is because we were a</p> <p>4 bookkeeping unit sent out from the central</p> <p>5 audit -- accounting unit.</p> <p>6 Q. And it goes on to say: "No proper</p> <p>7 checks are carried out on dividend reports or</p> <p>8 payments"?</p> <p>9 A. The only information we get when we</p> <p>10 get the claim.</p> <p>11 Q. Right. And it says: "However, it</p> <p>12 shall be verified that the dividends adopted by</p> <p>13 each company have been declared." And then "All</p> <p>14 other controls on dividend taxation lie in" -- and</p> <p>15 what's that word? Indsats?</p> <p>16 THE INTERPRETER: I-N-D-S-A-T-S.</p> <p>17 BY MS. MCCARTHY:</p> <p>18 Q. And that's the control group?</p> <p>19 A. Yes.</p> <p>20 Q. So that's the group that we started</p> <p>21 the day talking about?</p> <p>22 A. Yes.</p> <p>23 Q. That you would send issues to when</p> <p>24 investigation was required, right?</p> <p>25 A. Yes. That's right.</p>

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<p>1 process?</p> <p>2 <b>A.</b> It is a weakness because then there</p> <p>3 is no one really responsible, as we saw with the</p> <p>4 11 different units who all had a little share in</p> <p>5 dividend tax, though nobody, nobody really was</p> <p>6 responsible. It continues.</p> <p>7 <b>Q.</b> It continues?</p> <p>8 <b>A.</b> Yes. That there is no overall</p> <p>9 responsibility for dividend tax.</p> <p>10 <b>Q.</b> Right. And this -- in your view,</p> <p>11 did this adversely affect the ability to control</p> <p>12 the refund process?</p> <p>13 <b>MR. WEINSTEIN:</b> Objection to form.</p> <p>14 <b>THE WITNESS:</b></p> <p>15 <b>A.</b> It is a weakness that you have to</p> <p>16 go so many places to have them listen to what is</p> <p>17 wrong. And since they only are partly involved,</p> <p>18 they may not be supportive to correct it.</p> <p>19 <b>BY MS. MCCARTHY:</b></p> <p>20 <b>Q.</b> Right.</p> <p>21 <b>A.</b> And so, I consider it a weakness</p> <p>22 that there is no really responsible.</p> <p>23 <b>Q.</b> And was there anything that was</p> <p>24 done after this audit to centralize responsibility</p> <p>25 of the dividend tax area?</p>	<p>1 <b>A.</b> They organized for the whole of</p> <p>2 tax, a little different, but I wouldn't say it</p> <p>3 helped a lot. It didn't help a lot.</p> <p>4 <b>Q.</b> What did they do differently?</p> <p>5 <b>A.</b> But also, because now we are in the</p> <p>6 time of Trace. And that became just, wait for</p> <p>7 Trace, wait for Trace, wait for Trace.</p> <p>8 So it was difficult.</p> <p>9 <b>Q.</b> And you were told to wait for</p> <p>10 Trace?</p> <p>11 <b>A.</b> Yes.</p> <p>12 <b>Q.</b> Who told you to wait for Trace?</p> <p>13 <b>A.</b> Every time I suggested anything,</p> <p>14 oh, but when we have Trace, everything will be</p> <p>15 solved. So...</p> <p>16 <b>Q.</b> If we go to section 7.3.1 --</p> <p>17 <b>A.</b> Yes.</p> <p>18 <b>Q.</b> -- under "refund request," it</p> <p>19 describes the dividend refund process.</p> <p>20 And if you turn the page, there's a</p> <p>21 paragraph that begins with the words "regnskab 2."</p> <p>22 <b>A.</b> Yes.</p> <p>23 <b>Q.</b> And that, I believe, says that:</p> <p>24 "Accounting II does not carry out checks on</p> <p>25 whether the investor in question is actually a</p>
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<p>1 shareholder in the company in question or whether</p> <p>2 the investor in question isn't that liable for tax</p> <p>3 in the foreign country. The form is reviewed by</p> <p>4 accounting to detect whether all the information</p> <p>5 is included. The refund is then paid."</p> <p>6 Is that accurate what that says?</p> <p>7 <b>A.</b> Yes. Because when we get the</p> <p>8 declaration and the invoice, that is the</p> <p>9 information that we can have.</p> <p>10 <b>Q.</b> And when you say "the invoice," are</p> <p>11 you talking about --</p> <p>12 <b>A.</b> The bank note.</p> <p>13 <b>Q.</b> The bank note or something from a</p> <p>14 custodian, correct?</p> <p>15 <b>A.</b> Yes.</p> <p>16 <b>Q.</b> Indicating that the shares --</p> <p>17 <b>A.</b> They had received the dividend of</p> <p>18 these shares.</p> <p>19 <b>Q.</b> All right. Okay. And then it</p> <p>20 talks, two paragraphs down, about omnibus and</p> <p>21 nominee accounts indicating -- meaning that real</p> <p>22 owners of the shares are not known so refunds are</p> <p>23 paid without proof of ownership and actual</p> <p>24 distribution, right?</p> <p>25 <b>A.</b> Yes.</p>	<p>1 <b>Q.</b> Okay. And then if you go to the</p> <p>2 final two pages, there are some conclusions. And</p> <p>3 I'm interested in the last four conclusions, if</p> <p>4 you are able to tell us what those are, after</p> <p>5 "internal audit further finds that" -- there are</p> <p>6 six bullet points.</p> <p>7 <b>A.</b> Six bullet points?</p> <p>8 <b>Q.</b> Right above number 9,</p> <p>9 "recommendation."</p> <p>10 <b>A.</b> I have to turn the page.</p> <p>11 (Reading.) Under the conclusion or the</p> <p>12 recommendation? I'm not sure --</p> <p>13 <b>Q.</b> Right above -- right above</p> <p>14 "recommendation"?</p> <p>15 <b>A.</b> Okay.</p> <p>16 <b>Q.</b> The last four bullet points.</p> <p>17 <b>A.</b> Yes. (Reading.) Mm-Hmm. Yeah.</p> <p>18 Then we get the whole thing, "You can refund</p> <p>19 before the tax is paid." We have talked about</p> <p>20 that.</p> <p>21 <b>MR. WEINSTEIN:</b> I'm sorry, is there</p> <p>22 a question?</p> <p>23 <b>MS. MCCARTHY:</b> I asked her to</p> <p>24 review it.</p> <p>25 <b>MR. WEINSTEIN:</b> Okay.</p>

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<p>1 BY MS. MCCARTHY:</p> <p>2 Q. So the first -- the first one that</p> <p>3 I asked you to read, is it fair that it says that:</p> <p>4 "The dividend tax can be refunded before the tax</p> <p>5 is paid or reported to SKAT." Right?</p> <p>6 A. Yes.</p> <p>7 Q. Okay. And you agree with that</p> <p>8 finding, right?</p> <p>9 A. Yes.</p> <p>10 Q. And the second one is: "The use of</p> <p>11 omnibus accounts means that several dividend notes</p> <p>12 are printed."</p> <p>13 And then it says: "Swift messages</p> <p>14 for a single share."</p> <p>15 (Court reporter clarification.)</p> <p>16 THE WITNESS:</p> <p>17 A. Yes.</p> <p>18 BY MS. MCCARTHY:</p> <p>19 Q. There is no check as to whether</p> <p>20 dividend tax is requested more than once per</p> <p>21 share, right?</p> <p>22 A. Yes.</p> <p>23 Q. And do you agree with that?</p> <p>24 A. That's possible.</p> <p>25 Q. So that's a possible risk?</p>	<p>1 A. Yes.</p> <p>2 Q. And then the next bullet point is:</p> <p>3 "There are no checks in connection with refund</p> <p>4 requests as to whether the investor is actually a</p> <p>5 shareholder and whether the investor is, in fact,</p> <p>6 liable for tax in Denmark or not."</p> <p>7 A. Yes.</p> <p>8 Q. Do you agree with that?</p> <p>9 A. We only have the claim and the bank</p> <p>10 statement.</p> <p>11 Q. And then finally, it says: "It</p> <p>12 does not appear that the previous investigations</p> <p>13 initiated by SKAT have been followed up on."</p> <p>14 Do you agree with that?</p> <p>15 A. Yes.</p> <p>16 Q. And was that a source of</p> <p>17 frustration for you?</p> <p>18 A. Yes.</p> <p>19 Q. And is that something that you</p> <p>20 spent a lot of time trying to get people to listen</p> <p>21 to these issues?</p> <p>22 A. Yes.</p> <p>23 Q. Did you have any expectation that</p> <p>24 after this audit, there would be any changes in --</p> <p>25 implemented within the dividend process?</p>
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<p>1 A. Of course, the first one was</p> <p>2 rectified, right?</p> <p>3 Q. Mm-Hmm.</p> <p>4 A. So that was one.</p> <p>5 Q. Okay. And that was rectified when?</p> <p>6 This is in 2009.</p> <p>7 A. Wasn't it '12? I think it was.</p> <p>8 Q. Okay. So three years later?</p> <p>9 A. Are we on '10?</p> <p>10 Q. This is, right, 2010, two years</p> <p>11 later.</p> <p>12 A. Yes.</p> <p>13 Q. Correct.</p> <p>14 A. And the others, there were no --</p> <p>15 that was what the Trace actually blocked that we</p> <p>16 should do anything about it ourselves in Denmark,</p> <p>17 unfortunately.</p> <p>18 Q. Okay. So the other issues were</p> <p>19 deferred --</p> <p>20 A. Yes.</p> <p>21 Q. -- for the passage of the Trace</p> <p>22 project?</p> <p>23 A. Yes.</p> <p>24 Q. Okay. Was there a working group</p> <p>25 that was created after this audit?</p>	<p>1 A. Yes, I think there was.</p> <p>2 Q. Did you participate in that working</p> <p>3 group?</p> <p>4 A. If there was a working group, I</p> <p>5 participated. But there were so many, and I can't</p> <p>6 remember which one was which one. Sorry.</p> <p>7 Q. When you say there were so many</p> <p>8 working groups, can you give us a sense of how</p> <p>9 many working groups you participated in?</p> <p>10 A. Every time we have any internal</p> <p>11 audit, we were making -- work in groups. And as</p> <p>12 we didn't have the power ourselves to do anything,</p> <p>13 and as we were not the luckiest in tax to have</p> <p>14 somebody to send it to, it took time and not many</p> <p>15 changes were made.</p> <p>16 So after the next audit we started</p> <p>17 a new working group with new people, because now</p> <p>18 we had reorganized everything. So it was uphill.</p> <p>19 But we tried, and we got something through,</p> <p>20 eventually.</p> <p>21 Q. In 2012, you got it changed --</p> <p>22 A. Yes.</p> <p>23 Q. -- that helped --</p> <p>24 A. But the TastSelv.</p> <p>25 Q. The what?</p>

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<p>1 management of investment funds.</p> <p>2 Do you know what that issue has to</p> <p>3 do with?</p> <p>4 A. Yes. That has something to do with</p> <p>5 the systems, because normally, you didn't in the</p> <p>6 foreign investment funds tell who were the</p> <p>7 investors but only the administrator of the</p> <p>8 investment fund. So that would not be enough in</p> <p>9 this system to continue with the administrator,</p> <p>10 since it was investors we wanted to know about,</p> <p>11 those who were responsible for the tax.</p> <p>12 Q. Was there ever any attention paid</p> <p>13 to that?</p> <p>14 A. I think it was solved, yes.</p> <p>15 Q. Do you recall when that was solved?</p> <p>16 A. No.</p> <p>17 Q. Do you recall how it was solved?</p> <p>18 A. I know its was solved through the</p> <p>19 systems that we were implementing to have this</p> <p>20 going, a new system should be developed. So it</p> <p>21 was good to notify problems that may arise if we</p> <p>22 don't look into it right away.</p> <p>23 Q. Okay. So between this period of</p> <p>24 time in 2009 and 2013, you were very involved in</p> <p>25 the OECD Trace Project, correct?</p>	<p>1 A. Yes.</p> <p>2 Q. And that required you to take many</p> <p>3 trips to Paris, right?</p> <p>4 A. Yes.</p> <p>5 Q. All right. And did you find that</p> <p>6 those meetings were productive?</p> <p>7 A. I found that the Danes that were</p> <p>8 there really tried to make some suggestions of how</p> <p>9 to get around having all this information from</p> <p>10 different banks all over the world.</p> <p>11 I recall that we had a suggestion</p> <p>12 about a central information that all banks, when</p> <p>13 they have received some dividend from different</p> <p>14 countries and of course that was given to the</p> <p>15 shareholder, should key it in.</p> <p>16 And then it should be possible now</p> <p>17 from Denmark to key in the company, and then all</p> <p>18 the different taxpayers who had received money</p> <p>19 should come out.</p> <p>20 But it was too complicated. And</p> <p>21 the security you should have on the different IT</p> <p>22 systems and all that, and different systems in</p> <p>23 different countries.</p> <p>24 So it didn't work out. But the</p> <p>25 idea was very good, that when you pay out the</p>
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<p>1 dividend, you key it into the system, and then</p> <p>2 from Copenhagen, we could suck in and get all the</p> <p>3 information of all taxpayers that got money from</p> <p>4 Novo, Maersk. I don't know, so...</p> <p>5 Q. And would that system, would the</p> <p>6 Trace system have obviated the need for the paper</p> <p>7 reclaim forms?</p> <p>8 A. No. But it could give us a tool so</p> <p>9 we would know how much people had had.</p> <p>10 Q. So you could check the information</p> <p>11 on the reclaim forms?</p> <p>12 A. At last.</p> <p>13 Q. And the inability to check the</p> <p>14 information --</p> <p>15 A. Yes.</p> <p>16 Q. -- on the reclaim forms was --</p> <p>17 A. You have to rely --</p> <p>18 Q. -- was a weakness, correct?</p> <p>19 A. You had to rely on the beneficial</p> <p>20 owner, you had to rely on the bank, as that was</p> <p>21 what we got, and of course of the stamp of the</p> <p>22 country, the tax authorities in the country to</p> <p>23 secure that this was a double-taxation treaty like</p> <p>24 this should be handled with, yes.</p> <p>25 Q. Is it fair to say that Trace was</p>	<p>1 considered to be an antifraud measure?</p> <p>2 A. Yes, a secure proper taxation.</p> <p>3 Q. And again, that never went into</p> <p>4 action, correct?</p> <p>5 A. Yes. Correct.</p> <p>6 Q. Just one second. I am trying to</p> <p>7 cut out some questions here. So that's good for</p> <p>8 you.</p> <p>9 A. Thank you.</p> <p>10 Q. Were you in communication with</p> <p>11 Bo Dugaard about your -- what was going on with</p> <p>12 the Trace Project?</p> <p>13 A. I don't recall having any specific</p> <p>14 talks about -- I had been talking to him several</p> <p>15 times, but I don't recall to that extent what I</p> <p>16 had been talking about.</p> <p>17 Q. Okay. If you could turn to</p> <p>18 tab 3153.</p> <p>19 (Exhibit 3153 marked for</p> <p>20 identification.)</p> <p>21 BY MS. MCCARTHY:</p> <p>22 Q. Ms. Romer, do you recognize your</p> <p>23 e-mail of January 14th, 2012 to Bo Dugaard about</p> <p>24 dividend tax?</p> <p>25 A. Well, no. I can see it's mine, but</p>

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<p>1 is that what I look at?</p> <p>2 (Pause).</p> <p>3 Q. I have something different on mine.</p> <p>4 I am so sorry. It's January 9th, 2012.</p> <p>5 Apologies.</p> <p>6 A. It took us time.</p> <p>7 Q. My document is messed up. So my</p> <p>8 apologies. In this e-mail to Mister — first of</p> <p>9 all, you sent an — you had an e-mail —</p> <p>10 A. Yes.</p> <p>11 Q. — that you had access to when you</p> <p>12 worked at SKAT, correct?</p> <p>13 A. Yes.</p> <p>14 Q. And if you look at the top of this</p> <p>15 document, you can see that Mr. Daugaard sent an</p> <p>16 e-mail to you at lisbeth.r[ ]mer@skat.dk. Was that</p> <p>17 your e-mail address?</p> <p>18 A. Yes.</p> <p>19 Q. Okay. And having read the e-mail,</p> <p>20 do you believe that this is an e-mail that you</p> <p>21 drafted?</p> <p>22 A. I am sure I did, but I don't recall</p> <p>23 it.</p> <p>24 Q. Sure. Okay. Is it correct that</p> <p>25 you told Mr. Daugaard that there is no will to</p>	<p>1 change anything about foreign shareholders?</p> <p>2 A. Yes.</p> <p>3 Q. That's correct?</p> <p>4 A. Yes.</p> <p>5 Q. And you sit on a group in the OECD</p> <p>6 that looks at the exchange of information on</p> <p>7 dividend tax based on net settlement, right?</p> <p>8 A. Mm-Hmm.</p> <p>9 Q. "But it's going to be years before</p> <p>10 it comes to anything."</p> <p>11 And then you say: "And until then,</p> <p>12 we will refund you blindly."</p> <p>13 A. Blindly, that of course, we will</p> <p>14 rely on the information we get, but we can</p> <p>15 cross-check nowhere. And when you are in the tax</p> <p>16 administration, you know that cross-checking is</p> <p>17 not a bad thing.</p> <p>18 Q. Because often there is fraud?</p> <p>19 A. The temptation is too big. So we</p> <p>20 rely on what we get, but we would love to be sure.</p> <p>21 Q. And you never got that, right?</p> <p>22 A. No.</p> <p>23 Q. Ms. Romer, there was another audit</p> <p>24 in 2013, right?</p> <p>25 A. Yes.</p>
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<p>1 Q. And were the issues raised in the</p> <p>2 2010 audit the same issues raised in the 2013</p> <p>3 audit?</p> <p>4 A. More or less, since the same</p> <p>5 problems were still pending, you could say.</p> <p>6 So yeah.</p> <p>7 MR. WEINSTEIN: Is it time for a</p> <p>8 break?</p> <p>9 MS. MCCARTHY: Oh, sure. Yes.</p> <p>10 Okay. We are getting close.</p> <p>11 THE VIDEOGRAPHER: The time is</p> <p>12 9:56 a.m. New York time, and we are going off the</p> <p>13 record.</p> <p>14 (Short recess taken.)</p> <p>15 THE VIDEOGRAPHER: The time is</p> <p>16 10:21 a.m. New York time, and we are back on</p> <p>17 record.</p> <p>18 BY MS. MCCARTHY:</p> <p>19 Q. Ms. Romer, we are almost there.</p> <p>20 You testified before the Commission on the inquiry</p> <p>21 into tax in 2019, correct?</p> <p>22 A. Yes.</p> <p>23 Q. And you were called in twice to</p> <p>24 testify, right?</p> <p>25 A. Yes.</p>	<p>1 Q. Do you know why you were called in</p> <p>2 twice?</p> <p>3 A. Because they had so many questions,</p> <p>4 and we didn't finalize on the first day, so they</p> <p>5 had to have a second day with me.</p> <p>6 Q. Okay. And those were several</p> <p>7 months apart, right? June and then November?</p> <p>8 A. Yes.</p> <p>9 Q. Do you know if your testimony was</p> <p>10 captured by a court reporter like it's being done</p> <p>11 today?</p> <p>12 A. I am sure it was. I think it was.</p> <p>13 Q. Okay. Do you happen to have a copy</p> <p>14 of your testimony?</p> <p>15 A. I have heard nothing.</p> <p>16 Q. Okay. And can you tell us about</p> <p>17 how you were treated by the Commission during your</p> <p>18 testimony?</p> <p>19 MR. WEINSTEIN: Objection to form.</p> <p>20 THE WITNESS:</p> <p>21 A. The first meeting was not that</p> <p>22 pleasant. They were having all the administrative</p> <p>23 procedures, and we should have followed this, we</p> <p>24 should have followed that.</p> <p>25 And normally we didn't do because</p>



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<p>1 would never have dreamt that that should happen.</p> <p>2 Q. Okay. For each refund application</p> <p>3 that is submitted, you have mentioned some things</p> <p>4 that the applicant has to provide to SKAT.</p> <p>5 And one of those is the form 06003;</p> <p>6 is that right?</p> <p>7 A. 023 --</p> <p>8 Q. 023?</p> <p>9 A. -- I think it was. It could be</p> <p>10 003, okay.</p> <p>11 Q. Is it the form that you saw earlier</p> <p>12 today?</p> <p>13 A. Yes. Yes.</p> <p>14 Q. And that's the form where the</p> <p>15 applicant states that they are the beneficial</p> <p>16 owner of the shares for which they are asking for</p> <p>17 a refund; is that right?</p> <p>18 A. Okay. Yes.</p> <p>19 Q. And would the Accounts II team ever</p> <p>20 approve a reclaim application if the only thing</p> <p>21 that was submitted was that form?</p> <p>22 A. No. We had to have the other</p> <p>23 things.</p> <p>24 Q. Okay. And the other things</p> <p>25 included a statement from the bank?</p>	<p>1 A. Yes.</p> <p>2 Q. And that's the bank at which the</p> <p>3 applicant held their shares?</p> <p>4 A. Yeah. And from where they got the</p> <p>5 dividend.</p> <p>6 Q. Okay. Did -- if the applicant did</p> <p>7 not provide that statement from the bank where</p> <p>8 they got the dividends and held the shares, would</p> <p>9 the team approve the application?</p> <p>10 A. No. We would send it back.</p> <p>11 Q. Were there ever exceptions made to</p> <p>12 that rule?</p> <p>13 A. Not to my knowledge.</p> <p>14 Q. You mentioned also that in addition</p> <p>15 to the bank statement, the local tax authority had</p> <p>16 to provide information; is that right?</p> <p>17 A. They had to sign that the</p> <p>18 beneficial owner is a taxpayer in this country.</p> <p>19 Q. Okay. Would the team approve an</p> <p>20 application without that certification?</p> <p>21 A. No. Because we wouldn't know under</p> <p>22 which double-taxation agreement we should refund.</p> <p>23 Q. Did the team make exceptions to</p> <p>24 that requirement?</p> <p>25 A. No, not to my knowledge.</p>
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<p>1 Q. In your experience over time, were</p> <p>2 any refund applications ever rejected?</p> <p>3 A. Yes.</p> <p>4 Q. For what kind of reasons were</p> <p>5 refunds rejected?</p> <p>6 A. It could be that there was no bank</p> <p>7 statement with it.</p> <p>8 Q. Any other reasons you can recall?</p> <p>9 A. That was mainly the reason.</p> <p>10 Q. Okay. Did SKAT keep track of</p> <p>11 rejections of reclaims in its system?</p> <p>12 A. No, I don't think we -- I don't</p> <p>13 think we did.</p> <p>14 Q. Okay.</p> <p>15 A. But we had a track anyway because</p> <p>16 every claim that we received gave a number. So</p> <p>17 you could still find it if they were filing the</p> <p>18 right things afterwards.</p> <p>19 Q. Right. Okay. So for ones --</p> <p>20 A. We stamped and gave a number.</p> <p>21 Q. Sorry. For ones that were</p> <p>22 eventually approved, they got a stamp number?</p> <p>23 A. We stamped it when we got it.</p> <p>24 Q. Okay. Do you have personal</p> <p>25 knowledge of how the alleged fraud in this case</p>	<p>1 was conducted?</p> <p>2 A. No. Because we never talked about</p> <p>3 it while I was there because we hadn't discovered</p> <p>4 it.</p> <p>5 Q. In 2012 or 2013, did you ever</p> <p>6 believe that there were fraudulent reclaim</p> <p>7 applications being submitted?</p> <p>8 A. No.</p> <p>9 Q. Did anyone bring to your attention</p> <p>10 that they believed that there were fraudulent</p> <p>11 reclaim applications in 2012 --</p> <p>12 A. No.</p> <p>13 Q. -- or 2013?</p> <p>14 A. No.</p> <p>15 Q. Do you know the details of how the</p> <p>16 defendants in this case purchased the Danish</p> <p>17 shares that they claimed to own?</p> <p>18 A. No.</p> <p>19 Q. If SKAT had called the third-party</p> <p>20 banks that submitted those certifications for the</p> <p>21 reclaims in this case, do you know what</p> <p>22 documentation, if any, those banks would have</p> <p>23 provided to SKAT?</p> <p>24 A. No. I can only say by experience</p> <p>25 that when we went to the banks to have some extra</p>